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Near East/South Asia Report

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7 OCTOBER 1986

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REGIONAL AFFAIRS

MOSCOW CORRESPONDENT ELICITS SOVIET VIEW OF MIDDLE EAST

Paris AL-MUSTAQBAL in Arabic 28 Jun 86 pp 24-25

[Article by As'ad Haydar: "Soviet Union and Arabs; AL-MUSTAQBAL in Moscow: We Cannot Be More Arab Than Arabs Themselves"]

[Text] "I don't believe that it is possible to speak of a new Soviet policy toward the Third World because our policy is still the same in terms of the bases and fundamental principles on which it is founded." These statements are by (Valeriy Sokhin), the deputy chairman of the press section of the Soviet Ministry of Foreign Affairs. This projection is made complete by an analysis by (Vladimir Voslov), one of the most prominent experts on the Middle East in PRAVDA, organ of the Soviet Communist Party, who said: "The Soviet policy's strategy is the same and has not changed since or before the party's 27th congress (implicitly, these words mean since Brezhnev's death and Andropov assumption of the party leadership). However, the tactic is pushed to become more active and mobile to serve the Soviet strategy effectively." The talk about tactic means active movement, initiatives, and the reception of signals and their transformation into active movement. Even here, the Soviet officials we have met or interviewed have unanimously said: "It is true that we are interacting better with the initiatives or gestures, but we have always tried and moved. The problem is not with us." Even though the words are about the Third World, the conversation has always turned to focus on the Middle East, and on the Arab world in particular.

Even though a full or partial disarmament, an end to the arms race, especially in space, and completion and of detente between Moscow and Washington constitute the number one issue "because all the regional and international conflicts will become nil in case a nuclear confrontation occurs," as a prominent Soviet analyst said. The Middle East is foremost among Soviet concerns and tops Soviet interests, next to the detente issue. Regardless of how diverse and lengthy is the talk about the Third World, all the "threads and roads" lead ultimately to the Arab world, far from Africa's economic concerns. Focusing the talk on the Arab world is, in fact, due to two intrinsic reasons:

The first is that I come from this "complex" world which is clever with words and slow to act and from a "world in whose march and tendency the individual emotions and leaderships play a prominent role."

The second reason is that when speaking of the world's problems, the Soviets cannot forget that the Middle East forms their southern borders, geographically. The Soviets, who are well-aware of geography's importance to history's movement, realize that "exposing these borders means exposing their side to hostile attacks," and they are many. Finally, the Soviets operate on the basis that the Arab world is the Middle East's heart and that dealing with the "heart," regardless of how difficult, is more successful and important than dealing with the extremities.

In Moscow, the view toward the Middle East seems to emanate from the starting point of "legitimate self-defense." Moscow, the Soviet Union's capital, seems to be drowned in the "blockade concern," as was Tzarist Moscow. When we speak of "the arc of crisis principle," formulated by Zbigniew Brzezinski, a former U.S. national security adviser, we mean the arc extending from Afghanistan to South Africa and passing through the Middle East. You find Soviet analysts who tell you: "Why go so far? Kissinger's scheme is still present and efforts must be made to foil it." Kissinger's scheme to besiege the Soviet Union is entwined with his scheme to torpedo the "mosaic of the Middle East area." This scheme calls for "turning the strip adjacent to the Soviet Union into centers of instability." The strip consists of several belts, some adjacent to the Soviet Union geographically, and some adjacent to it politically and strategically: Afghanistan, the fertile crescent (the phrase is not Soviet, but borrowed), China, and North Africa (this strikes stability in the Mediterranean area and turns the presence of the U.S. 6th Fleet into an essential security presence instead of being a reserve military presence).

To complete this Soviet view of the area's situation and of the scheme hostile to the Soviets, any talk of the Arab world begins with a kind of "sorrow" and at times with "sadness mixed with anxiety" for the situation the area has reached. Perhaps the frankest words were said by a Soviet official to a number of resident Arab journalists and diplomats at a private session are: "We cannot be more Arab than the Arabs themselves. At present, the Arabs do not even support themselves and each of them is fighting the others (the official enumerated the quarreling and disputing parties). There has to be a return to agreement and to a united position in order that we may be able to move with broader activity and greater confidence."

I heard so much talk about unity in the Arab world in every office I entered in Moscow that I was compelled to say to one of the people I met: "You have become more unionist than we are." In reply to the statement, (Sokhin) said: "The united Arab action must at least be restored to its dimensions of 1973-74 when the Arabs united their efforts, used the oil weapon, and held summits. Regrettably, such an effort is non-existent currently. A united Arab effort of such simple dimensions will act as a decisive element compelling the United States to change its position on the Middle East." Moreover, Moscow believes that the Camp David accords are not "peace accords" and that the Fez summit resolutions are a means to keep war away and to establish a peace founded on full withdrawal from the occupied Arab territories.

From the general rules and the comprehensive view, let us move to the view of the parts.

Syria tops the list of the Soviet interests. The U.S.-Israeli escalation against Damascus in the past 3 months is the subject of daily follow up in Moscow. The Soviet officials believe that the "possibility of an attack or of acts of aggression against Syria is an existing possibility which Moscow is trying to avert out of a principled position of support for the Arab peoples" and in affirmation of the special relationship binding Moscow with Damascus. Here, (Sokhin) says: "Syria is not defending Syria, only. Regrettably, the Arabs are not aware of this. Syria's position is a position of defending all the Arab countries." In confirmation of this policy, Moscow has supplied Syria with the weapons it needs and will supply it with more. This is what was agreed upon during Syrian Vice President 'Abd-al-Halim Khaddam's visit. An Arab diplomat in Moscow affirmed that Damascus has obtained the SS-23 missiles and the Mig-29 aircraft it wants. He added: "I personally believe that the Israeli attack on Syria will take place when these weapons arrive in Syrian territories because Israel cannot stand the presence of a destructive weapon that covers all its sensitive points from the Galilee to the Negev Desert."

The Soviets find Egypt to be, as it was in the past, the Arab and Soviet Achilles' heel (in the Middle East). They are looking for "the lost garden of Eden that used to be Egypt" and trying to restore that Egypt or a part of it because this "restrengthens the Arab body". They believe that "Mubarak is exerting efforts to change the situation" and add: "There are numerous areas in which we can cooperate and we hope that the cooperation will develop." But they watch the developments in Egypt's domestic situation very carefully, without wading into the details. In Moscow, Egyptian Ambassador Salah Basyuni, who has been observing the relations between Moscow and Cairo since 1967 (Shams Badran's visit to Moscow prior to the 6-day war), works from the position of a "patriot" who knows the dimensions and importance of the Egyptian-Soviet relations, without forgetting that Washington gives Cairo more than \$1.5 billion in annual aid, which is something Moscow cannot afford.

It seems that the situation in Sudan and the experience Sudan is undergoing attract extensive interest in Moscow. The Soviets believe that Khartoum has to "face the economic situation" and find a solution to the southern problem on the basis of the following given facts:

The presence of a climate to settle the issue.

The presence of the desire on the part of al-Sadiq al-Mahdi to achieve a peaceful settlement.

The lack of a secessionist tendency on the part of Colonel Garang.

A solution achieved within the framework of a united Sudan.

As for Moscow playing a role in rapprochement between Khartoum and Addis Ababa, "no new basis for dialogue has been formed so far" to make a Soviet movement necessary. The Soviets make no secret that their definition of the

"new basis" is to find a "solution to the Eritrean issue to relieve Ethiopia from this severe drain of blood and resources."

Despite the latest Soviet initiative in Lebanon through which the Soviet Union has contributed for the first time to financing the U.N. units, the Soviet officials assert that "there has been no change in the Soviet policy on Lebanon." They believe that "Lebanon must continue as a sovereign state free of all foreign intervention., Our latest step reflects the Soviet Union's eagerness to help the Lebanese people." Arab diplomatic circles in Moscow say that the reason France refrained from withdrawing from the U.N. force at the last moment is that the western countries became certain that Poland and Romania were prepared, on a Soviet initiative, to replace the French and that this new stance by the socialist bloc motivated France, on a U.S. initiative, not to withdraw so that the Soviets may not enter Lebanon officially through a U.N. forces' "window"(overlooking the Gulf). Here, the Soviet position is governed by two points:

The Iraq-Iran war which Moscow considers an "irrational war" and which it is trying to end.

The lack of full diplomatic representation with the Gulf states. Here, the Soviet officials assert that "this situation is abnormal. We are prepared to build normal relations." This readiness is based on reciprocating to every Gulf step with two and even three steps.

Afghanistan's issue seems to be entwined with what is happening in the Gulf, even if the Soviets reject such linkage. Moscow is implicitly aware that the Soviet presence in Afghanistan hampers the movement to enhance the relations between Moscow and some Gulf states, such as the Kingdom of Saudi Arabia. They are also implicitly aware, rather they declare that, "the termination of the Gulf war will release iran's hand across the Afghan borders." This is why the Soviets strive ceaselessly for "an honorable solution that brings about Soviet withdrawal from Afghanistan, guarantees the presence in kabul of a friendly regime that protects the Soviet borders from the U.S. aspirations to set up radar observation stations and other installations, and returns the Soviet young men to their production positions." With all this, the Soviets will strike Washington's scheme to turn Afghanistan into a "Soviet Vietnam" that drains the Soviet economic, political and human efforts.

Aden and what has happened in it continue to be a prominent point in "Soviet concerns." The officials we have met underline their "extreme regret for what has happened because the conflict between the progressive forces is not in the state's interest." (Vladimir Sokhin) said: "Efforts must be made to prevent a new explosion in the situation. The possibilities are tied to the developments. We favor a political settlement to the situation. Moreover, we are against any military intervention in the affairs of Democratic Yemen. There are numerous means of non-military intervention, such as the diplomatic and political means."

To understand the dimensions of the "tremor" caused by the Aden events, (Sokhin) has told us that "the lessons learned from Yemen's events are disseminated broadly so that the deviations may not recur. I believe that the most important thing is the sound educating of the party cadres."

If Moscow is trying to unite the Arabs, then "uniting the Palestinian rifles" is axiomatic. The Soviets believe that unity of the Palestinian movement must be achieved and that there is no chance of movement without a Syrian-Palestinian understanding. Insofar as the Palestinian issue and Israel are concerned, it is evident that feeling has begun to prevail in Moscow, namely, that "Zionism must be confronted, not as a problem connected with the Palestinian issue, but as an internal problem." (Oleg Ribalchenko), secretary of the committee to Combat Zionism, said: "In recent years, imperialism has intensified its use of Zionism against the Soviet Union and all the socialist forces. This is one of the motives behind the creation of our committee." The same official asserted that "all the statements and rumors concerning a large-scale Jewish emigration from Russia are groundless. This idea has died. This emigration does not currently exceed the cases of family reunification."

This is the Middle East picture seen from Moscow's window. It is not, in any case, an accurate picture with all the lines and details. It does, however, permit one to understand the Soviets' view of the area's situation, especially since such understanding has become coupled with a movement that does not go beyond the communist parties. It is a movement that deals with symbols and facts of the real situation and that know that faith is not the issue of the hour and that the historical circumstances are what have motivated the Third World citizen to embrace faith, not to antagonize progress.

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ALGERIA

OPPOSITION PUBLISHES NEW MONTHLY

Rabat LE MATIN DU SAHARA in French 18 Aug 86 p 16

[Article: "The Opposition Accuses the Present Government of Keeping the People of PREMIER NOVEMBRE in a state of Complete Disinformation"]

[Text] Brussels (MAP)—The Algerian Opposition in Exile Movement, the Front of Socialist Forces (FFS, headed by Hocine Ait Ahmed) has just published a new monthly, entitled LIBRE ALGERIE.

Those in charge of this publication mean to challenge the Algerian authorities who are doing everything to keep the Algerian people in a state of complete disinformation.

How must one react to this "colossal attempt at disinformation," asks the editorialist in the first issue of LIBRE ALGERIE, "if not by trying to remove the gag that reduces us to silence, if not by destroying the mantle of silence that already for more than 20 years has enveloped the people of PREMIER NOVEMBRE?"

"The undertaking," continues the editorialist, "is difficult, in that speaking out means challenging the inordinate means employed by the Unity Party, the political police, and the army in organizing counter-information and the systematic de-politicizing of the masses."

LIBRE ALGERIE also wishes to be "a crossroads for all observations, all differences," and "a forum for free discussion."

The first issue of LIBRE ALGERIE (16 pages) includes an examination of the Algerian home politics of the past decade, entitled "From One Charter to the Other," and a long article on the situation of human rights in Algeria. LIBRE ALGERIE also deals with the question of the expulsion by the Algerian authorities of the Malian and Nigerian Touaregs who took refuge in southern Algeria after fleeing from their countries as a result of drought and famine.

The new FFS publication also treats the question of transactions within the Algerian military "nomenklatura" and lays stress in particular on "the

influence of Halima," wife of President Benjdid. LIBRE ALGERIE states that it is Halima who has placed men in all of the sensitive components of the state, including the decision making posts where international agreements are concluded."

The first issue of LIBRE ALGERIE also includes several articles on the question of immigrants, literature, culture, and religion.

8255

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ALGERIA

BRIEFS

FERGANI, GDR OFFICIAL CONFER--Leipzig (APS)--Yassine Fergani, vice-minister in the Ministry of Petrochemical Industries, in charge of Chemical and Petrochemical Industries, conferred Thursday, in Leipzig, with Gerhald Bail, German Democratic Republic (GDR) minister of trade, with a view to strengthening bilateral relations. The ADN agency of the GDR, which reported the information, mentioned that talks dealt in particular with ways of strengthening and expanding commercial trade and industrial, scientific, and technical cooperation, by determining the various steps to be taken for the realization of this objective. Fergani, who is on a visit in the GDR in connection with the Leipzig Fair, also met with Jonterfichowski, GDR minister of chemical industries, concerning projects signed by both countries regarding the production of basic goods, the plastics industry, and the production of fertilizers and of pharmaceutical products. [Text] [Algiers EL MOUDJAHID in French 5 Sep 86 p 5] 8255

CSO: 4519/165

SUDAN

NEW LAW AMENDS DRAFT TRANSITIONAL CONSTITUTION

Khartoum AL-SIYASI in Arabic 21 Aug 86 pp 6, 7

[Article: "Draft of the Sudanese Transitional Constitution, 1986 Amendment"]

[Excerpts] For the third time, AL-SIYASAH is receiving what is said to be a copy of the amended constitution, and is publishing this amended constitution for the third time as well.

AL-SIYASAH apologizes to the reader for the mixup others besides us have caused with these copies, and we and the reader hope that this will be the last of the amended constitutions.

Yesterday Dr 'Umar Nur-al-Da'im contacted us and stated that what we published in our issues of 18 and 20 August 1986 was not the final draft of the constitutional amendments to be presented to the constituent assembly. He was generous enough to send the final amended draft to which, as he said, the leadership of the two parties (the al-Ummah and the Democratic Unionist Parties) had given agreement.

We herewith publish it for the readers and invite them to comment on it:

Executing the authorities vested in it by virtue of Article 136 of the Sudan's transitional constitution for 1985, the constituent assembly has issued the amendment whose text follows:

The title of the amendment and its entry into effect:

2. This amendment will be called the transitional constitution of the Sudan, 1986 amendment, and it will be in effect as of the date on which it is issued.

Amendment

3. The transitional constitution of the Sudan for 1985 will be amended as follows:

1. In the First Chapter:

Article Four will be abrogated and the following new article will be substituted for it:

Sources of legislation:

4. Islamic law, as well as the other divine religions and traditional usage which does not conflict with their principles, is a major source of legislation, and each religious community's law and special traditional usage will govern the personal status of that community.

2. In the Second Chapter:

A. Article Seven will be abrogated and the following new article will be substituted for it:

Political organization:

7. Political organization in the republic of the Sudan will be founded on the basis of freedom to form political parties committed to democratic examples, goals and methods, in accordance with the provisions of the law.

B. Article 11 will be abrogated and the following new article will be substituted for it:

The rule of law:

11. All citizens and every legal person resident in the Sudan will be subject to the rule of law.

C. After Article 16, the following new article will be added:

The government's commitment:

16. 1. The government will be committed to responding to the call of the April revolution, and, in application of the national charter, to taking all measures which will have the effect of leading to, or of helping to realize, the following goals:

A. Eliminating all the effects of the tyrannical era.

B. Guaranteeing the system of parliamentary democracy and protecting its constitutional agencies and institutions from all attempts to obstruct it, weaken it, reduce its effectiveness, debase it or provoke doubts about its authority.

C. Holding the people who prepared the May 1969 coup to account.

D. Saving the national economy and holding the people who brought about its destruction to account.

E. Saving the citizens from the greed of the parasitic non-productive classes.

F. Reforming the public service system.

G. Protecting fixed and moveable public property and adopting all measures in regard to it, including allocating public buildings and evicting their occupants.

2. The law will regulate the appropriate rules and means for carrying out the provisions of Section One.

3. The provisions of Articles 32 and 33 of this constitution notwithstanding, it is not permitted to contest any law in court which is issued in execution of the provisions of Section Two on grounds that it detracts from or conflicts with any of the basic rights or freedoms contained in Chapter Three, or in accordance with any other reason.

4. For the purposes of this article, the following is meant by the following words and phrases:

"The April revolution": the revolution the Sudanese people unleashed on 6 April 1985, which resulted in bringing down the tyrannical era.

"The tyrannical era": the regime which took power in the republic of the Sudan through usurpation on 25 May 1969 and remained until 6 April 1985.

"The national charter": the document which representatives of parties and bodies and politically influential persons who led the masses of the April revolution signed.

"The effects of May": the laws which the tyrannical regime enacted, the organizations it established and the practices it carried out in violation of the traditions of sound government, as well as the appointment of persons to positions in all public service agencies for purposes of patronage although they did not possess the necessary qualifications, expertise or competence or their continuation in these positions led to the obstruction of work or the continued deterioration of performance.

"The agencies of public service": these include the secretariat general of the republical palace, the secretariat general of the former People's Assembly, the secretariat general of the council of ministers, the ministries, the government departments, independent and semi-independent public bureaus, organizations and authorities and companies founded in accordance with the law on companies for 1925 in which the government owns 50 percent or more of the stock.

"Law": this includes any bills, rules or orders which any of the heads of public service agencies issued in execution of the provisions of this article.

3. In the Third Chapter:

A. Article 26 will be abrogated and the following new article will be substituted for it:

The right of litigation:

26. This constitution guarantees all persons the right of litigation before competent courts in accordance with the provisions the law stipulates.

B. Article 32 will be abrogated and the following new article will be substituted for it:

Protection of constitutional rights:

32. With attention to the provisions of Article 16 A, everyone will have the right to demand protection from the supreme court of all the rights stipulated in accordance with this constitution, and the supreme court can issue the provisions it considers appropriate for this purpose.

C. In Article 33:

The following phrase will be added at the end of the article:

"Or the realization of any of the goals cited in Article 16 A."

4. In the Fourth Chapter:

Articles 34 through 53 will be abrogated.

5. In the Fifth Chapter:

A. In the First Part:

One. In Article 55:

The expression "the elections will be subject" will be deleted and the word "the election will be subject" will be substituted for it.

Two. In Article 56:

In the title of the article, the word "powers" will be deleted and the word "authorities" will be substituted for it.

The phrase "with attention to the provisions of Article 58" will be added in the body of Section Two.

The following section will be added after Section Seven:

Eight. The constituent assembly will ratify international treaties and agreements and foreign loan agreements by law, provided that it be permitted by law to delegate this authority to the council of head of state.

Three. Article 57 will be abrogated and the following new article will be substituted for it:

The term of the constituent assembly:

57. 1. The term of the constituent assembly will be 4 years, subdivided into four legislative sessions, starting with the date its membership is complete. It will be converted into a parliament after approval of the constitution and may be dissolved only by an order issued by the council of head of state in accordance with a decree approved by the constituent assembly by a majority of two thirds of its members.

2. The constituent assembly will not proceed to engage in its constituent authorities bearing on approval of the permanent constitution until its membership has been completed in accordance with the law on elections as it is amended from time to time.

Four. Article 58 will be abrogated and the following new article will be substituted for it:

Composition of the legislative authority:

58. Without prejudice to the provisions of Article 56, 2, the legislative authority in the republic of the Sudan will be composed of the council of head of state and the constituent assembly in accordance with the provisions of this law.

Five. In Article 62:

The following will be added to the end of the article:

6. If the constituent assembly resolves by a majority of its members that the member has relinquished his political or party affiliation.

7. If the constituent assembly resolves by a majority of its members that any contestation of a member's right to be or remain a member is valid in accordance with the provisions of Article 64.

Six. Article 65 will be abrogated and the following new article will be substituted for it:

The chairmanship of the constituent assembly:

65. 1. The constituent assembly will elect a chairman for itself from among its members or from among people who possess qualification for membership in it.

2. The constituent assembly will elect two vice chairmen from among its members and the authorities of the chairman will devolve upon them on his absence.

3. The chairman of the constituent assembly or anyone whom he delegates may resign from his position at any time by written notice addressed to one of the two vice chairmen, in the case of the chairman, and to the chairman, in the case of either of the vice chairmen. Any of them may be excused by decree of the constituent assembly issued by the majority of two-thirds of its members.

4. The areas of competence of the chairman of the constituent assembly and his vice chairmen will be specified by law provided that these areas of competence not be amended in a manner which will bring them harm during the period of tenure in their positions.

Seven. Article 66 will be abrogated and the following new article will be substituted for it:

The secretary general of the constituent assembly:

66. 1. The constituent assembly will have a secretary general who will be appointed by its chairman and it will confirm him by a decree issued by an ordinary majority of its members, on the proviso that he may be removed only by a similar decree issued on the basis of a recommendation of the chairman of the constituent assembly.

2. The secretary general of the dissolved People's Assembly will distribute the burdens of the secretary general of the constituent assembly until such time as a general assembly is appointed in accordance with the provisions of Section One.

Eight. Article 67 will be abrogated and the following new article will be substituted for it:

The sessions of constituent assembly meetings:

67. The chairman of the constituent assembly will issue an invitation for it to meet at the beginning of each legislative session, on the date determined by the council of head of state on the basis of the recommendation of the prime minister, provided that no more than 3 months elapse between the end of any legislative session and the beginning of the session which follows it.

Nine. In Article 68:

The word "absolute" will be deleted and the word "ordinary" substituted for it.

10. In Article 69:

The expression "the head of state may in consultation with the chairman of the constituent assembly" will be deleted and the phrase "provided that its chairman summon it in accordance with a decree issued by the council of the head of state after consultation with the prime minister" will be substituted for it.

11. In Article 71:

In Section Two:

The following phrase will be added at the end of the section:

"Provided that if the membership of any committee includes people from outside the constituent assembly, the right of voting be restricted to the members of the constituent assembly."

12. In Article 75:

The following phrase will be added at the end of the article:

"Or based on any other reason."

B. In Part Two:

One. Article 76 will be abrogated and the following new article will be substituted for it:

Formation of the council of head of state:

76. 1. The council of head of state will consist of a chairman and four members who together will constitute the head of state.

2. The council of head of state will appoint one of its four members to be its vice chairman.

Two. In Article 78:

The following phrase will be added at the end of the article:

"The law will specify the authorities which the council of head of state will be competent to exercise and it will regulate the relationship between it and the constituent assembly and council of ministers."

Three. In Article 82:

The following phrase will be added to the end of the article:

"In accordance with the rules and regulations the law specifies."

Four.

For the purposes of this part, the phrase "member" or members of the council of head of state will include a chairman and vice chairman of the council of head of state, unless the context requires something different.

C. After the third part, the following new part will be added:

Part Four:

Legislation

Measures Bearing on Legislation

100. 1. Laws will be issued in the following manner:

A. When any draft law is approved in the stage of the third revision, it will be submitted to the council of head of state in conjunction with a letter with the signature of the chairman of the constituent assembly requesting this council to sign the draft law and issue it as soon as possible.

B. The council of head of state may return the draft law to the constituent assembly, demanding a review of all or some of its elements, in conjunction with a memorandum stating the causes which justify the review.

C. When any request to review any draft law is received, the chairman of the constituent assembly must submit the draft law at once to the assembly and the transaction will be considered as if it was an extension of the third revision of the draft.

D. When the discussion of the draft law is completed in accordance with the provisions of Paragraph C, it will be returned to the council of head of state in the final form the assembly considers appropriate, and the council of head of state must at that time sign the draft law in this form.

E. If the council of head of state does not return the draft law in accordance with the provisions of Paragraph B, it must sign the draft and issue it within a period no more than 30 days after receipt of it.

F. The draft law will be in effect on the date it is signed and issued or on a subsequent date specified in it, on the provision that in exceptional cases the application of the law may start on a date prior to its issuance, in accordance with the stipulated constitutional rules.

G. Notwithstanding what has been stated above, the provisions of Paragraphs B through E will not be in effect in the case of any draft financial law or draft law which is given the description of a draft of an urgent law in accordance with Paragraph A in the submission speech. In the case of the drafts of the abovementioned laws, the council of head of state will sign them and issue them upon their receipt.

Urgent legislation by temporary order:

100. B. 1. The council of head of state may, if emergency cases so require, at any time when the constituent assembly is not convened, and after consultation with the prime minister, issue the temporary orders it considers necessary to enable the council of ministers to continue to dispose of the affairs of government or deal with any emergency situation.

2. Any temporary order issued in accordance with the provisions of Section One will have the force of a law approved by the constituent assembly and issued by the council of head of state in accordance with the provisions of this constitution.

3. Temporary orders issued in accordance with the provisions of Section 1 must be presented to the constituent assembly as soon as it convenes for their approval or rejection in accordance with its bills, and their effect will be suspended and they will become abrogated as if they had not existed:

A. If they are not submitted to the constituent assembly within 2 weeks after it is convened, after they are issued.

B. If they are submitted to the constituent assembly and that refuses to approve them.

C. If the council of head of state, after consultation with the prime minister, decides to withdraw them before the convening of the constituent assembly or before they are submitted to it before it is convened.

4. Every law which is abrogated or amended in accordance with any temporary order whose effect has been cancelled will be reinstated and will be in effect as if the temporary order had not been issued.

6. In Chapter Six:

1. In Article 102:

First, the expression "it is necessary that the transitional military council or" will be deleted.

Second, the expression "as the situation requires" will be deleted.

B. In Article 103:

First, in Section One:

The expression "the transitional military council or" will be deleted.

The expression "as the situation requires" will be deleted.

Second, in Section Two:

The expression "the transitional military council or" in the body of the section will be deleted.

The word "salaries" in the body of Paragraphs B and C and the expression "the salary which is paid out" in Paragraph D will be deleted and the word "allocations" and the phrase "allocations which are paid out," respectively, will be substituted for them.

After Paragraph D the following new paragraph will be added:

"E. The allocations paid out to the chairman of the constituent assembly and the vice chairmen."

Third, in Section Three:

The phrase "the transitional military council" will be deleted and the phrase "the constituent assembly" will be substituted for it.

C. In Articles 104, 105, 106 and 107:

The phrase "the transitional military council or the constituent assembly, as the situation requires," will be deleted and the phrase "to the constituent assembly" will be substituted for it.

D. In Article 108:

First, the phrase "so that the transitional military council or the constituent assembly, as the situation requires, may approve it" will be deleted, and the phrase "so that the constituent assembly may approve it" will be substituted for it.

Second, the phrase "the transitional military council or the constituent assembly, as the situation requires" will be deleted and the phrase "the constituent assembly" will be substituted for it.

E. In Article 110.

First, in Section 1, the phrase "the transitional military council or the constituent assembly, as the situation requires" will be deleted and the phrase "the constituent assembly" will be substituted for it.

Second, Section Two will be abrogated and the following new section will be substituted for it:

"2. The auditor general will submit his report on the accounts to the constituent assembly at the same time in which these accounts are presented before the assembly or whenever that is possible after that."

Third, the phrase "the transitional military council or the constituent assembly, as the situation requires, has approved it," will be deleted and the phrase "the constituent assembly has approved it" will be substituted for it.

F. In Article 111 the following will be added at the end of the article:

"Provided that the government of the Sudan may audit any debt where it has access to reasonable evidence which shows that it is not binding or not valid, because of:

"A. Any flaw in the method or procedures related to the grant of it or its failure to conform to the rules stipulated in international law regarding the conclusion of debt agreements binding on the government.

"B. The lack of the contracting persons' competence to engage in borrowing activities or their lack of qualification in accordance with international law and existing custom which is binding on the government of the republic of the Sudan.

"C. The undesirability of the debt as far as the government of the republic of the Sudan is concerned, the intent that it be used for other than these purposes or the lack of justification in the public interest for incurring this loan, where the lender was aware or ought to have been aware of that."

7. In Chapter Seven:

A. In Articles 114, 115 and 116:

The two phrases "the transitional military council" or "as the situation requires" will be deleted, wherever they appear.

B. In Article 118:

The phrase "the transitional military council or by decree of" will be deleted.

In Chapter Eight:

A. In Article 122:

The section will be amended to read as follows:

The judiciary authorities are directly accountable to the council of head of state for performing their activities in accordance with the provisions of the constitution and the law.

B. Article 123 will be abrogated and the following new article will be substituted for it:

Judiciary appointments:

123. 1. The council of head of state will appoint the chairman of the judiciary and his vice-chairmen in accordance with consultation with the higher council of the judiciary and the judges of the supreme court.

2. The council of head of state will appoint judges of the supreme court and judges of the courts of appeals, the directorate and summary justice after consultation with the higher council of the judiciary.

C. In Article 124:

First, in Section 1:

The section will be revised to read as follows:

The chairman of the judiciary, his vice-chairmen and judges of the supreme court and the courts of appeals, the directorate and summary justice will remain in their positions until they reach age 65. Their period of tenure may be extended in accordance with the provisions of the law, provided that any judge may resign from his position at any time by written announcement to the council of head of state.

Second, in Section Two:

The section will be amended to read as follows:

The chairman of the judiciary, any of his vice-chairmen or any supreme court judges may be removed only by decree of the council of head of state issued in accordance with a recommendation on that by two-thirds the total members of the higher council of the judiciary and the judges of the supreme court less the chairman of the judiciary or the vice-chairmen or supreme court judges concerned.

The oath:

Third, in Article 128:

The article will be amended to read as follows:

The chairman of the judiciary, his vice-chairmen and the judges of the supreme court will perform the oath cited in the table appended to this constitution before the council of head of state, and the other judges will perform it before the chairman of the judiciary.

Appointment of members of the public service authority:

9. In Chapter 10:

In Article 131:

The article will be amended to read as follows:

The council of head of state will appoint the chairman and members of the public service authority in consultation with the council of ministers.

Emergency authorities:

10. In Chapter 12:

A. In Article 134:

First, in Section One:

The section will be amended to read as follows:

If a dangerous, serious situation occurs which threatens national unity, the safety of the nation or any part of it, or threatens its economy, the council of head of state may in consultation with the council of ministers announce a state of emergency in the whole country or part of it as the situation requires and adopt the measures required to confront this danger, including the suspension of all or some of the rights included in this constitution, provided that the right of recourse to the judiciary may not be infringed. These measures will have the force of law.

Second, in Section Two:

The section will be amended to read as follows:

"The declaration of the state of emergency and the measures and orders bearing on it will be submitted to the constituent assembly within 15 days of

the date of its declaration so that a decision may be taken on prolonging its period or rejecting it."

B. Article 136 will be abrogated and the following new article will be substituted for it:

Amendment of the constitution:

136. This constitution may not be amended except by a decree approved by an ordinary majority of the members of the Constituent Assembly.

C. In the table:

The formulation of the oath of the chairman and members of the transitional military council will be deleted.

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CSO: 4504/412

SUDAN

BRIEFS

PENSION REDUCTION--Mr Usamah al-Sulhi, director of the Pension Department, declared that the department is awaiting the decrees and directives of the Council of Ministers and the Ministry of Finance regarding the suspension of the exceptional pensions bearing on 47 ministers who had not occupied positions in public service, so that the department may play its part in carrying these directives out. Mr al-Sulhi pointed out that the wage increases made during the transitional period doubled the volume of pensions, stating that it will be difficult to reduce them if wage guidance takes place and pointing out in this regard that pensions become a legal right and the statutory relationship between the government and the employee does not apply to them. He stated that there were 197 people to whom exceptional pensions were granted as humanitarian cases and that total exceptional pensions come to about 90,000 pounds a year. He pointed out that among the 47 ministers there might be some to whom Decree 118 (arbitrary termination) applies, and he said that this will in effect entitle them to ordinary pensions. [Text] [Khartoum AL-SIYASAH in Arabic 21 Aug 86 p 1]

CENTRAL REGION SUGAR SHORTAGE--Citizens of the Central Region will be faced with a shortage in the sugar arriving in the months of September and October unless the Ministry of Commerce, Cooperation and Supply hastens to carry out the substance of the minister of commerce's statement on importing 38,000 tons of sugar. A responsible source in the government of the Central Region asserted that the burden of most of the deficit which was cited in the minister's statement lay on the shoulder of the Central Region, since most of the quotas allocated to the region were to have been received from the Sinar and al-Junayd sugar mills, mills which recorded a large production deficit this season, and the citizens of the Central Region would bear the consequences of this if the quantities to have been imported from abroad did not reach the country. [Text] [Khartoum AL-SIYASAH in Arabic 21 Aug 86 p 4]

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BAHRAIN

CUSTOMS DIRECTOR DISCUSSES CURRENT TRADE

Manama GULF DAILY NEWS in English 30 Aug 86 p 1

[Article by Andrew Bolton]

[Text] BAHRAIN'S customs chief says that changes in the duty laws will benefit the island's traders as a whole.

Khalil Al Motawa, director of customs, revealed that Bahrain lost some BD8 million in customs duties last year and a further fall is expected in 1986.

Mr Al Motawa said the Government's decision to scrap duty on re-export items — aimed at boosting the economic sector — would lead to a decline in income.

This was on top of the drop from the BD40 million collected in 1984 to the BD32 million last year.

The fall could be attributed to a variety of reasons, for example the shelving of projects, and the general recession, he said.

"Though, as a customs man, I am aware this will lose us money, it is clearly for the benefit of traders as a whole," Mr Al Motawa said.

"There is a slight feeling of being caught in the middle but we know that everyone has a role to play in the economic recovery.

"We are not just looking to what is happening within our own four walls. Whether we lose or gain money, we are

happy to participate, and we want to participate."

Mr Al Motawa, revealed that Bahrain's imports from other GCC countries — stimulated by the lack of taxes or tariffs — were up significantly in the first six months of this year against the same period in 1985.

However, he noted that the island's exports to her five GCC partners were down by ten per cent.

First half import figures from the GCC show BD 6.7 million in 1985 and BD 9.5 million this year.

Exports to the GCC for the first six months were BD 10 million in 1985, and BD 9 this year.

"Bahrain's most important export to the other GCC countries is aluminium, which accounted for two-thirds of what we sent them.

The director, who praised the commitment to inter-GCC trade, said Bahrain's most important GCC trading partner in the first six months of this year was the UAE, which exported BD 5 million of the total of BD 9.5 million sent to the island.

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CSO: 4400/291

BAHRAIN

BALANCE OF PAYMENTS SHOWS SURPLUS

Manama GULF DAILY NEWS in English 28-29 Aug 86 p 1

[Article by Geraldine Bedell]

[Text] Bahrain's balance of payments figures showed a dramatic turnaround last year.

They improved from a deficit of BD39.1 million in 1984 to a surplus of BD229.8 million according to the Bahrain Monetary Agency's annual report, just published.

Much of the change was accounted for by "residual" items, which went from a deficit of BD52.4 million in 1984 to a surplus of BD218 million in 1985, the report says.

A spokesman for the BMA said these "residual" items comprised loans and grants, and revaluation adjustments because of the depreciation of the Bahraini dinar, down 11 per cent against Special Drawing Rights (SDR).

The improved balance of payments situation, plus a negative inflation rate and an increase in total assets of commercial banks, led the BMA to conclude the economy had remained relatively healthy given the international situation.

Inflation was down, with the consumer prices index showing a drop of about 3 per cent on the previous year.

Negative inflation — although of only 0.3 per cent — also occurred in 1984.

Total assets of offshore banking units declined by more than BD2 billion to reach BD21.4 billion at the end of 1985, the report reveals.

However, commercial banks' total assets were up 9.7 per cent to BD 1,456.6 million, although total domestic liquidity rose by a smaller percentage than the previous year.

The trade deficit was down "substantially" by BD23.7 million in 1985 to BD122.3 million — the result of imports decline.

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CSO: 4400/291

BAHRAIN

CONSUMER PRICES, INFLATION RATE DROP

Manama GULF DAILY NEWS in English 28-29 Aug 86 p 1

[Text] THE Bahrain Monetary Agency (BMA) annual report, just out, has good news for consumers, showing as it does a negative rate of inflation, with prices for both Bahrainis and non-Bahrainis down.

With the base set at 100 for 1983-4, the average consumer prices index for June to December 1985 stood at 96.9 for Bahrainis and 94.8 for non-Bahrainis.

The largest decline in consumer prices for all nationalities was observed in the group "house-related items", down 21.3 per cent.

Receding

The report includes that, "in contrast to certain features of the international economic scene, the Bahrain economy continued to show a stable growth."

It gives as indications of this the increase in commercial banks' total assets, and the "highly satisfactory" balance of payments position, as well as the inflation figures.

The improved balance of payments position was achieved in spite of receding oil prices and an excess supply of crude oil. Non-oil exports also declined, mainly due to lower world prices and demand for aluminium.

Total exports of refined and crude oil dropped 10 per cent from BD1,019.8 million in 1984 to BD916.3 million in 1985, due to a lower quantum of exports and a fall in crude oil prices.

"Decline in international prices of aluminium products reduced export earnings substantially," the report states, with value down to BD55.6 million from BD83.4 million in 1984.

Imports showed a substantial decline however, standing at BD1,178.9 million against BD1,325 in 1984, more or less uniformly distributed among the constituent groups.

But the report adds: "Consistent with the trend in domestic economic activity, imports of machinery and transport equipment fell by BD42.1 million."

Imports of manufactured articles fell BD10.8 million, and food by BD3.1 million.

On the balance of payments figures, services, transfers and capital are not broken down, but together they registered a surplus of BD352.1 million, compared with a BD106.9 million the previous year.

With the big change in "residual" items — from a deficit of BD52.4 million to surplus of BD218.8 million — the overall balance of payments stood at a surplus of BD229.8 million compared with a deficit of BD39.1 million in 1984.

On the banking front, aggregate assets/liabilities of the 20 commercial banks amounted to BD1,971 million — an increase of BD100.2 million or 5.4 per cent over 1974.

The balance sheet total showed a "substantial improvement", rising 9.7 per cent to BD1,456.6 million, although the re-

port makes the point that business improvement among the banks was not uniform.

While some local banks registered an increase in their total assets, others just sustained their position during the year.

Total assets of OBUs decreased 9.4 per cent as they "continued to adjust to the difficult regional and international economic environment."

This, the report says, was not "unexpected" — a combination of the decline in oil revenue and "spill-over adverse de-

velopments that dominated the international banking scene in recent years."

The BMA continued to strengthen the domestic banking system by establishing monetary policies.

As a result of the "prevailing economic situation", broad guidelines were laid down on aspects of lending — such as the maximum limit for credit facilities to directors established for all locally-incorporated banks.

A code of conduct was issued for foreign exchange transactions.

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CSO: 4400/291

BAHRAIN

BRIEFS

ELECTRICITY CONSUMPTION—Electricity consumption in Bahrain has hit a record level. The consumption on Saturday was 12.9 million units - up 700,000 on the previous record set last year. Electricity Director Abdull Juma said Saturday's consumption was the highest recorded since the establishment of the directorate 50 years ago. However, he said, the system was well able to cope and had plenty of reserve capacity. Peak consumption on Saturday hit 620 megawatts, slightly down on the 634 recorded on May 29 although demand throughout the day was much higher. "Our forecast for this summer is 650 mw and with store capacity at 980 mw, we are well prepared to cope with the demand," said Mr Juma. The average daily consumption now is more than 11 million units, and the highest last year was 12.2 million units. "The annual consumption growth has been 11 percent and the record consumption this year only reflects the country's improved standard of living," Mr Juma said. [Text] [Manama GULF DAILY NEWS in English 27 Au 86 p 1] /13104

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IRAQ

GRAIN CROP YIELD REACHES 1984-85 LEVEL

Baghdad AL-JUMHURIYAH in Arabic 28 Jun 86 p 7

[Article by Hasan Kamil: "Large-Scale Campaigns to Market Wheat and Barley; Field Followup on Marketing Processes; Incentives Offered to Producers"]

[Text] The campaign to market the wheat and barley crops continues in all of the country's governorates. The current marketing indicators promise a good marketing season that may reach or exceed the final levels of the 1984-85 marketing season.

This was stated to AL-JUMHURIYAH by Khalid al-Samarra'i, the secretary of the General Federation of the Peasant Cooperative Associations. Al-Samarra'i also noted that the federation's executive office members went to the various governorates at the outset of the 1985086 winter planting season to follow up on the process of securing the requirements for the lands scheduled to be cultivated with wheat and barley, such as machinery, seeds, fertilizers, and water allotments. The agricultural plan set for this season has given special importance to cultivating the acreage allocated for wheat and barley due to the strategic importance of these crops. The field followup and the united efforts exerted by the federation's cadres in the governorates have had an effective impact on surmounting numerous problems and difficulties and contributed to cultivating the largest acreage possible with these two crops and to producing the abundant crop yielded this year. The executive office members have carried out a similar followup campaign on harvesting the crops and have worked to secure the requirements of the process of marketing the crops, especially wheat and barley.

Al-Samarra'i also noted that the General Federation of Peasant Associations is a member of the Higher Grain Marketing Committee and that it plays an important role in the committee's activities by virtue of its being a representative of the agricultural producers. Moreover, the federation's branches in the governorates are represented in the governorates' local grain marketing committees.

The Higher Grain Marketing Committee held several preparatory meetings prior to the start of the marketing season. The final formula of the technical, accounting and administrative instructions regulating this season's marketing

process was agreed on in those meetings. This formula has taken into account the question of surmounting and dealing with a number of negative features and obstacles which interspersed the past season.

The higher authorities concerned have also taken steps to encourage the agricultural producers and decided to raise the purchase price of a ton of fine-grain grade-one wheat to 155 dinars instead of the old price of 140 dinars (the price of a ton of course-grain barley to 145 dinars instead of the old price of 133 dinars and the price of a ton of fine-grain grade-two wheat to 140 dinars instead of the old price of 130 dinars). The purchase prices for mixed wheat and barley have remained unchanged.

The federation secretary has further said that the good results expected this season motivated the Higher Grain Marketing Committee members to draw up a field activity program to visit most of the governorates distinguished by their wheat and barley production and to meet with the agricultural sector officials and with representatives of the other departments connected with the marketing process to find out in detail the actual production volume and the wheat and barley quantities expected to be marketed. Those field visits also contributed to determining what the governorates need from the marketing centers and what the marketing centers need, such as sacks, portable scales, and technical and administrative cadres needed for the purpose., The visits also contributed to determining the needs for financial loans to pay for the producers' crop.

As a result of these visits, it was decided to abolish a number of grain marketing centers which were in operation in the past marketing season because of the small production in the areas in which those centers were located. The Higher Committee also decided to open new marketing centers in areas in which it has become obvious that the production is high this season.

The total number of marketing centers operating this season is 70. They are distributed throughout the country's various governorates.

To encourage grain marketing, the system of marketing loose grains, i.e., of not requiring the grains to be packaged, has been adopted this year. This system is economically beneficial to the producer and the buyer because the producer dispenses with the use of sacks. He also saves the costs of packaging, loading, and unloading. This offers the farmer a good profit margin. These marketing processes require the use of vat trucks fitted with siphons.

Generally, this process has been received with extensive approval. Large quantities of grains are currently marketed in loose form, especially in the northern governorates.

On the other hand, the marketing center committees shoulder the responsibility of sending the marketed grains to the silos concerned according to the plan of the Public Grains Organization, which is the authority entrusted with paying the selling farmer a set sum of no more than 3 dinars for every ton of grains sold. This sum represents the average cost of shipping a ton of grains from

the production area to the marketing center. As for the costs of shipping from the marketing centers to the silos, it is shouldered by the Public Grain Marketing Organization.

As an incentive to the producing farmers, the instructions award additional financial rewards to any farmer who ships his crops properly and cleanly. On the other hand, certain sums are deducted for crops shipped poorly.

The federation cadres play a distinguished role in educating the producers and in urging them to pay attention to their sold crops with the aim of insuring proper marketing both qualitatively and quantitatively.

Concluding, Khalid al-Samarra'i said: We hope that the current marketing season will produce good results that enhance the country's agricultural production and bolster the magnificent victories scored against the tyrannical Iranian enemy by all sections of our great people under the leadership of the valiant Saddam Husayn, may God keep him.

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ISRAEL

NATIONAL INSURANCE LAWS IN OCCUPIED TERRITORIES DISCUSSED

Jerusalem AL-'AWDAH in English 7 Sep 86 pp 20-22

[The following article is translated from last week's Kol Hair Hebrew weekly. We would like to stress that the views represented in this article are not necessarily AL AWDAH's. Yet we believe that the article in general sheds some light on discrimination between Arabs and Jews by the Israeli authorities]

[Text]

A few months ago, new national insurance laws were discussed by a Knesset committee. According to these new laws, a resident of Jerusalem who moved to live in Izariyeh (Bethany) would be eligible for allowances for children born in Jerusalem but children born whilst resident in Izariyeh would not be eligible for an allowance. "The new laws are used in a discriminatory way against the Arabs," said lawyer George Sam'an. For example, an East Jerusalem resident who worked in Israel for 11 years and made national insurance contributions would lose his right to a pension under the new laws if he moved out of East Jerusalem before the age of 65.

Last week, the general director of the national insurance institution, Nesim Baruch, the minister responsible for national insurance. Mordechai Tzipori, and the minister of labour and welfare, Moshe Katzav, heard the

complaints of East Jerusalem residents, submitted by a delegation led by Fayek Barakat from the East Jerusalem Chamber of Commerce. The meeting was somewhat of a unique one in that the Chamber of Commerce delegation, made up of people appointed to the Chamber by the Jordanian authorities, were actually requesting an Israeli institution to stop the reduction of its services in the Occupied Territories.

Almost one year ago, officials from the Israeli national insurance decided to implement new procedures reducing the activities of the East Jerusalem national insurance office. These procedures, which transferred most of the work carried out by this branch to the central office in West Jerusalem, was deeply resented by national insurance claimants in East Jerusalem and gave rise to fears that the authorities aimed to deny Arabs any national insurance services.

Many complaints on the issue were sent to the institution but were not given any attention.

During the meeting, members of the Chamber of Commerce raised several points of criticism. They requested the authorities to revise their current policy by which holders of an East Jerusalem identity card who do not reside within East Jerusalem lose their right to national insurance allowances. This rule is also applicable to people who moved out of central Jerusalem to suburbs such as Al Ram and Izariyeh (Bethany). The Chamber of Commerce delegation pointed out to Katzav that it is illogical that while such people were encouraged by the government to move to these areas, they would now be denied national insurance allowances. The fact that national insurance fees had been deducted from their salaries makes the decision even more unjust.

George Sam'an, the delegation's lawyer, said that during the meeting Katzav indicated his willingness to look into the issue and the delegation was optimistic that the meeting would achieve practical results. Baruch had explained that there was no intention of closing down the East Jerusalem office and the steps taken were simply part of a policy of centralization.

The demands of East Jerusalem Arabs from the national insurance authorities won the support of a number of West Jerusalem figures such as Shlomo Dogeh of the municipal council, who is active in the campaign against the reduction of services in the East Jerusalem office, and Yosi Hrael, the

present manager of the East Jerusalem office.

Article 7 of the national insurance law states that any 'resident of Israel' is insured. Since June 28th, 1967, when East Jerusalem was annexed to Israel, the Arab residents of the city were automatically covered by national insurance.

Two months after the war, the first steps towards opening an East Jerusalem branch were taken, under the management of Hashem Nashef. It was the only office whose manager and employees were all Arabs, as the government aimed at winning the confidence of the East Jerusalem Arabs. Claims were submitted to this new office but were dealt with by the head office in West Jerusalem. However, after five years, when the employees had become fully trained in their job, the East Jerusalem branch became almost independent, although formally it remained subordinate to the head office. Claims were now both submitted to and handled by the East Jerusalem branch office and people did not need to deal with the West Jerusalem office at all.

In the past two years, however, the East Jerusalem branch has gradually seen its powers reduced to the role it played in the first years of its existence. Municipal council member Shlomo Dogeh wrote to the general-director of national insurance: "This is a lack of respect for 130,000 residents. The transfer of six national insurance departments has caused inconvenience to East Jerusalem residents, who now have to go to West Jerusalem.

Sending them from one place to another like cattle reminds me of the early 1950's when I immigrated to this country; we used to stand in queues in front of the Histadrut (trade union) offices. The national insurance authorities are exploiting the fact that there is no Arab leadership in East Jerusalem to deal with their problems." Dogeh added that Israeli institutions should transfer offices to East Jerusalem in order to strengthen Israeli control over the area.

An East Jerusalem resident who wants to submit an application for a disability allowance, for example, must submit the application at the East Jerusalem branch, from where it will be transferred to the relevant department in West Jerusalem. The applicant is then summoned to the West Jerusalem office to be examined by a medical committee. During the past year, the East Jerusalem office received many complaints about the fact that clients have to travel to West Jerusalem.

An employee in the East Jerusalem office explained that Arabs are reluctant to go to the West Jerusalem office because they do not understand Hebrew and many people would rather give up their rights than be humiliated in West Jerusalem.

In the early 1970's, the ministerial committee for Jerusalem decided that any person holding a Jerusalem identity card has the right to national insurance, irrespective of their place of residence. The rule only excluded those who

had obtained the identity card via a family reunification application and lived outside the Jerusalem municipal boundaries.

However, Hashem Nashef states that, over the years, the number of people who have the right to national insurance has declined. Article 146 of the national insurance law declares that anyone staying abroad for more than six months loses his right of citizenship, which is an essential condition in order to be eligible for national insurance. Any person who stays outside Jerusalem municipal boundaries is considered, as being abroad. It was, therefore, decided to deny Arabs living outside the borders of East Jerusalem the right to national insurance.

"National insurance is part of the Israeli system, just like income tax," explained Sam'an.

"The citizen pays income tax according to his identity card and national insurance is paid to him according to his place of residence. In the first case, they talk about the duties of the citizen whilst in the second case the issue is the rights of the citizen. Why are residents not treated in the same way as settlers in the West Bank or Gaza Strip, who do not lose their Israeli citizenship according to the terms of the national insurance law?"

ISRAEL

ETHIOPIAN IMMIGRANTS REPORTED SERIOUSLY DISTURBED

Tel Aviv HADASHOT in Hebrew 3 Aug 86 p 23

[Article by David Golan: "Young Ethiopians--Marked for Life"]

[Text] Uri Gordon, head of the Youth Immigration, believes that irreparable emotional damage was inflicted on the 2,300 Ethiopian youths who were brought to Israel by the "Moshe Campaign." It is only now, some 1 and 1/2 years after the campaign, that the Youth Immigration has obtained precise data on the scope of the emotional damage caused to these young people before their immigration to Israel.

It is estimated that 85 percent of the youths that came have suffered emotional damage. Uri Gordon noted that during the first few months of their absorption, Youth Immigration workers came upon unusual phenomena concerning trainees suffering from restlessness, alienation, inability to eat, and lack of response to any environmental stimulus. Many of them still suffer from emotional isolation.

This behavior elicited energetic steps from the people in charge, including ambulance service and immediate hospitalization. In time, the caretakers learned to recognize these symptoms, which were caused by the trainees' emotional stress following the many difficulties they encountered on their way to Israel and separation from parents left behind in Ethiopia or who died on the way.

The Youth Immigration director stated that intensive efforts are being made to prevent immature marriages within the community, which involved pregnancy or underage Ethiopian girls who had been "promised" in marriage. According to him, the number of pregnant girls has already dropped considerably.

Another problem which affected the girls were the tattoo marks made on them for healing or cosmetic purposes. "It has not been easy to deal with these tattoos because they tend to leave scars. The only cases that were sent to plastic surgery involved girls who had crosses tattooed on their foreheads or chins."

Now, after the first stage of absorption of the Ethiopians, the youths are being trained for a mature and independent life within the Israeli society. Gordon stated that the experience made abroad and in Israel shows that the negative effects of cultural shock, family loss, emotional trauma, and social failure are long-lasting and may even affect the future of the second and third generations.

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ISRAEL

CAREER PLANNING FOR IDF VETERANS

Tel Aviv MA'ARIV in Hebrew 5 Aug 86 p 3 (Business Supplement)

[Article by Mordehai Elkan: "IDF Officers Learn How to 'Sell' Themselves"]

[Text] The release of dozens of senior IDF officers within the span of a few months has created an embarrassing situation. On the one hand, these are experienced, high caliber people from many viewpoints, on the other hand, however, the private sector is not impressed with rank. The Ministry of Labor and Welfare has made available workshops where veterans can receive sound advice on how to enter the private labor market. Our correspondent visited such a workshop.

"Never give up!"... "Nobody is perfect!"... "Everybody makes mistakes!"... "One should learn from one's mistakes so as not to repeat them!"... "Go about it differently, then everything may be different!"...

These sayings may sound rhetorical, but they constitute some of the thinking patterns that are taught at a special Ramat Gan workshop organized by the Ministry of Labor and Welfare for former IDF officers, who learn there methods of "selling themselves" on the civilian labor market.

This is the most difficult problem facing a former IDF officer--how to deal with the abrupt transition from long years of continued military service to the private sector. In the service he completely, or almost completely exhausted his potential. He climbed up as far as he could to the top of the military career. Now he seeks a civilian challenge, but will sometimes content himself with a job in which to earn complementary income.

In order to achieve these aims the former officer must learn to jump over the hurdles of the style and position he had acquired over a period of many years, and to rapidly adapt to different working patterns and social customs.

His emotional willingness to adjust to receiving orders, occasionally from "bosses" much younger and far less experienced than himself, is not sufficient. Similarly, his capability to deal under pressure with complex and complicated tasks will also not do the job.

In order to touch first base in the process of "selling himself" he must begin with persuading the employer that he has a deal to suggest from which both sides will profit.

A One-Day Workshop

The art of the interview at the first meeting between the former officer and a potential employer in the civilian labor market is learned at an intensive one-day workshop. There, groups of former IDF officers are instructed by the veteran industrial sociologist Moshe Goldschmidt from Hod Hasharon, who gained his expertise in salesmanship, human relations, and development of human resources at various enterprises and organizations.

The training session consists of an introductory discussion, at which the officers learn the rules of behavior toward "selling themselves" and receive good advice on how to conduct an interview; on the one side of the desk sits the interviewer (the "boss"), while people who had until very recently been senior officers, are the interviewees.

At the workshop the former officers learn that in order to persuade an employer to give them a job they want they must also be good "actors." They must change habits which may have been suitable in the service but which may prove prejudicial at a first meeting with a civilian interviewer. At the same time, however, they must give the strong impression that their behavior is natural, not an act. Also, they must give the impression that they are themselves convinced of their suitability to the job, before trying to convince the interviewer.

How do you go in for an interview and how do you behave at it, the instructor asks, then answers: "The interviewee does not offer his hand to the interviewer, but waits for the interviewer to initiate the move. It is desirable not to smoke during the interview, even if the interviewer is a passionate smoker. The interviewer may be thoroughly unpleasant, but you must still be able to conduct a discussion with him.

"A good candidate must be pleasant and must be capable of communicating well with people. Talk sparingly about your past," the instructor advises, "and concentrate on the future, so that the entire discussion should focus on the future. Try to give general answers but to the point, without going into small details. Do not talk about anything that does not concern the immediate issue. Not only does it not help, but it is even counterproductive. If the interviewer shows opposition to anything you said do not take it as a personal threat; do not respond with a counterattack, nor give up the whole thing." The suggestions are concise and practical.

In the classroom each group is divided into pairs, whereby one member is the interviewer (employer) and the other the interviewee (job seeker). Their interview is filmed on closed circuit television. At the end of the meeting the film is shown to the class and discussed, and conclusions are drawn.

"Also A Matter of Good Connections"

The instructor stresses that however good the workshop, it cannot replace the real thing. However, despite the fact that this was only a workshop, some people did not conceal the fact that the entire game was repulsive and disturbing to them. They, former senior IDF officers, had to learn how to sell themselves to the civilian market...

Lt Col (R) Alexander Levy, a graduate of the workshop, 46 years old, married and the father of two, ended his service in the army in 1980 and, with his family, spent 2 years on a mission to South America helping organize Jewish immigration to Israel. After that he went on several shorter missions to South America on behalf of the Jewish Agency Immigration Department. At the end of those missions he completed his first degree in arts and communication at the Tel Aviv University. Currently he is studying for a graduate degree in philosophy. He speaks six languages fluently and has a basic knowledge of two more. He lives on the pension of a retired IDF officer. His wife helps out with her job at the Tel Aviv University.

According to him, although the workshop was only 1 day, it taught him valuable things, more than a little thanks to the instructor, whom he describes as "full of ideas; to my mind, his statements are no less than laws of nature."

He added: "The workshop is very important for developing self-awareness toward the interview, the basis of which is supply and demand. At the interview I offer myself as a "live product" for a job and hope to persuade that the person who hires me for that job is getting a good deal. However, my personal experience is that the right, the best, and most successful way to sell oneself is on the basis of personal relationships, previous acquaintances, recommendations, and a lot of personal warmth."

Ya'akov Agmon, director of a project for former IDF officers at the academic retraining center of the Ministry of Labor and Welfare, said: "The Ramat Gan center has been working since 1985. Additional branches will soon open in Jerusalem and Haifa. On the basis of the experience gained in handling and steering former IDF officers to the civilian labor market, the Ramat Gan center will soon begin to instruct retired police officers in work matters. At a later stage it will also deal with people retiring from other security services."

To date, 150 former IDF officers have graduated the Ramat Gan workshop. The center also offers professional retraining classes, and will soon open a hotel management class under the aegis of the Dan Hotels. The course will take 8 months and will include practical work, too.

The center plans to open yet another course on protecting computer data and preventing unauthorized users from breaking into computer terminals.

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ISRAEL

EXPORTS, ESPECIALLY OF ELECTRONICS, CRITICALLY LOW

Tel Aviv YEDI'OT AHARONOT in Hebrew 5 Aug 86 p 3

[Article by Avraham Dishon: "Exports Have Dropped to the Danger Point"]

[Excerpts] One year after the implementation of the economic program, Israel's industrial exports have dropped to the danger point and are in serious danger. All the data point to a disturbing drop in the profitability of industrial exports, with the exception of diamonds. Some factories have simply stopped production for lack of profit, while others are forced to continue exporting because of long-term supply contracts. If the government does not immediately adopt a clear policy toward encouraging exports it is doubtful whether help will still be possible for the many hundreds of exporting manufacturers.

This is the message that the industrialists have recently been trying to convey to the Finance Ministry and the Bank of Israel. According to them, the responsibility for the sharp drop in export profitability should not be blamed on government policy, and indeed they do not blame the government; but they demand immediate action to improve a situation which, according to them, is deteriorating daily.

Several factors converged to make industrial exports unprofitable today:

--The strengthening of the European currencies: For the past 1 and 1/5 year the European currencies continued to steadily increase in comparison to the dollar. The German mark, Swiss franc, French franc, and the pound sterling grew in comparison to the dollar by an average rate of 25 percent. The majority of the Israeli exports are based on dollar prices. Consequently, even notwithstanding the specific problems of the Israeli economy, the objective international situation contributed to inflicting heavy damage on our export, hanging as it is by its umbilical cord on the dollar.

--The frozen exchange rate: Since July 1985 the exchange rate has remained frozen, while the real expenditures of the exporters increased by many percentage points in the wake of increased salaries and cost of living allowances. At the same time, the translation from dollars into shekels

remained unchanged. "For a whole year we have been receiving the same returns, while the cost of living index went up by 21 percent," claim the exporters.

--Frozen prices: Industrial exports used to fare very well in the past, one of the reasons being that the manufacturers were able to secure high prices in the domestic market and thus make up for lower export prices. Only a manufacturer who obtained a high price for his product in the Israeli market could afford to be "flexible" in his dealings with foreign customers. Now, however, domestic prices have been frozen for 1 year and on some products--the ones on which it was not permitted to raise the price--the manufacturers are losing money. In addition, prices have been steeply dropping in the international market, too, following the drop in the price of oil and other raw materials.

--Reduced subsidies: In the past exporters received a series of extensive bonuses through relatively lower financing from various government funds. In the past year this aid has been considerably trimmed and currently industrialists do not benefit from it almost at all because of the high cost of credit. This affected the electronics branch in particular, which for years had been enjoying generous, if not extravagant, support. Today exporters receive an exchange insurance of 11 percent on the net added value of their exports.

[Box on page 3]

The Electronics Branch Most Affected

The electronics enterprises have been the hardest hit. The majority are currently exporting at a clear loss. While in the past they were the "jewel in the crown" of industry, today they are suffering heavy losses and are in need of government support.

"We are losing 6 cents on each export dollar," says Zalman Shilo, director general of the Elisra electronics enterprise and chairman of the Metal, Electricity, and Electronics Sector of the Industrialists Union. Speaking about the difficulties of the sector enterprises Shilo says: "Because of the strengthening of the European currencies in relation to the dollar in the past 1 and 1/2 years, in conjunction with the fact that the exchange rate between the dollar and shekel has been frozen for 1 year, the electronics enterprises are now in a serious situation. All of Israel's electronics exports are based on the dollar, which, as we said, has grown considerably weaker in the past 1 and 1/2 years. The government must take steps to improve the situation before it is too late," he warned.

Yosef (Joe) Levy, the head of the control department of the Kur concern also says that many of the concern's plants are losing money on each one of their export ventures. "At each plant export profits have dropped very seriously,

and some are even incurring losses," Levy says. "Our plant, which used to earn 12 percent on exports, this year is exporting at a 5 percent loss. Such a situation cannot continue for long."
[Box on page 3]

Bruno: "High Profitability"

The Bank of Israel does not agree with the industrialists. It says that their margin of profit has improved and there is no cause for worry.

Professor Michael Bruno, governor of the Bank of Israel, even claims that export profitability is now higher than ever before. This he attributes to the drop in the real bank interest rate, which until recently had made things difficult for the industrialists. Today, pay increases are lower and so are financing costs, so that, according to Bruno, the margin of profit of the manufacturers has increased. The governor frankly told the industrialists: "Those who looked into the future could tell that the dollar was bound to go down. The writing was clearly on the wall already 3 years ago. Consequently, exports should have been geared to Europe instead of betting everything on the United States."

Finance Ministry sources also contradict the industrialists' position that export subsidies should be increased. Last week the president of the Industrialists Union met with the finance minister on the subject, but no results have materialized so far. [passage omitted]

12782

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JORDAN

PAPER CONSIDERS DENATIONALIZATION PLAN

Amman JORDAN TIMES in English 31 Aug 86 p 4

[Article by Dr. Fahed Fanek]

[Text]

THE role of the private sector in Jordan is difficult to quantify. Official statistics are not always helpful in this regard. They do not differentiate between purely-held private sector concerns and publicly-owned enterprises. Statistics for example, classify Jordan Phosphate Mines Company under the private sector, simply because it takes the form of a shareholding company, even though the public sector owns 90 per cent of its paid-up capital, and performs all of its management and decision making process.

Therefore, one cannot easily turn to official statistics or national accounts to find out the exact amount of contribution of the private or public sectors to production, investment, employment and exports.

With a rough educated guess, one can estimate that the public sector employs 45 per cent of the country's workforce, produces 40 per cent of gross national product, contributes 50 per cent of the capital formation, and is responsible for 30 per cent of our exports.

The public sector grew rapidly during the seventies and early eighties, thanks to Arab financial aid which made extensive public expenditure possible.

The government now feels that perhaps it is time to turn parts of the public sector to private investors. Privatisation is becoming increasingly acceptable in Jordan. The expression has started circulating among officials and economists since 1985 with the advent of the present government. We are yet to coin an Arabic term for the word "privatisation".

Last week the government announced that it approved of privatisation in principle, provided this happened gradually, and after thorough evaluation and extensive studies. Apparently the corporations targetted for privatisation are the Telecommunications Corporation, the Public Transport Corporation, and Alia, the Royal Jordanian Airline.

It seems the authorities are not sure yet how to go about privatisation beyond making the decision in principle. One minister declared that the Telecommunications Corporation may become a general shareholding company with 100 per cent of the shares held by the government. This means that the institution will continue to be a public sector concern, but will not be bound by governmental regulations and red-tape. It will therefore not be subject to the inspection of the government

Audit Bureau. The management would continue to be the same but would be given more free hand in running the company.

Privatisation, economists agree, includes three branches which complement each other and which should be considered together in order for the change to make sense and yield the desired results. These are: denationalisation, deregulation and contracting.

Contracting means that the government must contract to the private sector the production of goods and services that the public sector provides or sells to the people, such as housing, roads, education and health services.

Deregulation means floating prices and quantities, reduced protection and easy entry to, or exit from, the market together with and relaxation or abolishing of authority to license businesses and professions by governmental bodies.

Finally, denationalisation means selling public corporations to the private sector, on the assumption that private owners are more motivated and more efficient than civil servants in running businesses.

For some reason, privatisation in Jordan is synonymous with denationalisation, and completely divorced from the other two wings, namely deregulation and contracting. Commonsense tells us that denationalisation should be the last phase in the process of privatisation, preceded by the prerequisite of deregulation and contracting in order to create the right atmosphere for privatisation to become possible and meaningful.

The present circumstances may not be the best timing for denationalisation. The private sector at this particular time may not be willing or able to take over big undertakings like telecommunications or air transport. However, these corporations should start to adjust themselves to the expected eventuality. Despite the wholehearted enthusiasm of Mrs. Thatcher of Britain, privatisation of British Airways has so far taken over five years of internal preparations by a new management and is not yet finalised. It is not known when, if ever, British Airways will become a private shareholding company.

In the meanwhile we must start liberalising the market forces, relaxing the licensing process, abolishing pricing, and dismantling most activities unnecessarily performed by the Ministry of Supplies.

/8309

CSO: 4400/286

JORDAN

WATER SUPPLY SITUATION DESCRIBED AS CRITICAL

Amman JORDAN TIMES in English 11 Aug 86 pp 1, 3

[Article by Rana Sabbagh]

[Text]

AMMAN — Ten per cent of Amman's inhabitants are currently suffering from temporary cuts in their water supplies and the Water Authority of Jordan (WAJ) Sunday conceded that "any mismanagement of the Kingdom's water resources will mean no water supplies by the year 2000."

According to WAJ President Mohammad Saleh Keilani, the total daily consumption of potable water by the nearly one million residents in Amman is estimated at 190,000 cubic metres while the current daily water supply to the capital is put at 170,000 cubic metres.

"Drought years are part of our life and we have to expect them," Mr. Keilani told the Jordan Times, brushing aside the likelihood of a water rationing scheme in the Amman area similar to one implemented after droughts in 1977 and 1978.

"I am against water rationing plans," said Mr. Keilani and he refuted earlier reports that more than 10 per cent of the people in Amman are facing total or temporary cuts in their potable water supplies.

The water crisis reportedly became apparent in the areas of Ashrafiah, Nuzha, Shmeisani, Sports City and Wihdat in June and concerned water officials

attributed the decline in water supplies to the poor rainy season in 1985/1986 with only one relatively good year between the last poor rainy season in 1983/1984.

WAJ officials claim that until the end of 1985, all Amman's water supplies were obtained from underground water reserves. In February 1986, the launching of the Deir-Alla to Amman water supply system encouraged high hopes amongst WAJ officials that sufficient surface water supplies could be pumped to Amman from the Jordan Valley as the project started by pumping 4,000 cubic metres of water a day and reports in the local press said this could increase to 5,000 cubic metres a day if needed.

In March, the Jordan Valley Authority (JVA) — the operators of the pipeline — reduced the amounts of pumped water to 3,500 cubic metres until its operations were stopped completely by the end of May.

The Deir-Alla-Amman water project was built at a total cost of JD 60 million and has a projected capacity of pumping 45 million cubic metres (MCM) per year from surface water and run-off. "For one reason or another, the project's expectations of contributing almost 45 MCM to Amman's water supplies were virtually impossible," commented a WAJ consultant.

In June the government agreed to stop pumping water from the Jordan Valley to Amman in the summer months due to shortages of irrigation water.

The JVA agreed to the government's decision which also instructed WAJ to double the quantity of water presently being pumped from Azraq to Amman in an effort to secure the capital's summer water needs.

At that time, a WAJ consultant described the cabinet's decision as "difficult to apply," since the Azraq-Amman water pipeline can not accommodate a further 10 MCM per year on top of the 15 MCM per year already being pumped from Azraq.

Mr. Keilani declined to comment on why the Deir-Alla pipeline stopped operating during the summer. The WAJ has contended that it is impossible to maintain a stable flow of water or the pumping capacity of water since Deir-Alla is almost at sea level while Amman is in a high and mountainous region.

To guarantee a permanent solution to the likely shortage of water supplies to Amman, Mr. Keilani suggested supplying water to the capital from the Kingdom's southern regions of Disi, Heidan and Wadi Al Wallah. Government officials have said proposals to draw water from those sources have not yet been approved by the cabinet on the grounds that

approval of such a step would "mean that the country will have to pay for new pipelines and potable water networks to carry the water from the south to Amman, and that such an expenditure is not favoured at the moment."

The urgent need to save water is becoming painfully clear and Mr. Keilani called on the public to rationalise their water consumption. JVA President Munther Haddadin earlier stressed the general need for water saving methods in farming and agriculture all over Jordan as well as in the country's public and private sectors.

WAJ consultant Ahmad Keilani Sunday cautioned that any mismanagement of Jordan's water resources could mean no water supplies by the year 2000. He told the Jordan Times that WAJ has charted a national water masterplan for the year 2000, which focuses on utilising surface and subterranean water, as well as making available water resources by non-conventional means.

Mr. Keilani explained that "non-conventional" means increasing domestic water supplies through the desalination of saline water (sea water and underground water) and the treating of the sewerage and wastewater to be used for different purposes. Mr. Keilani made these remarks at a workshop on the treatment and use of sewerage and wastewater for irrigation which opened in Amman on Sunday.

The four-day workshop which is organised by the WAJ in cooperation with the United Nations Food and Agriculture Organisation (FAO), aims at studying the numerous uses of treated wastewater for the restricted irrigation of agricultural crops, for the direct and indirect recharging of underground aquifers and for industrial purposes.

Presently there are only four

domestic municipal sewerage treatment plants in Jordan serving about 30 per cent of the population and Mr. Keilani promised that by the year 2000 there will be more than 30 domestic municipal sewerage treatment plants to serve about 70 per cent of the population. Mr. Keilani explained that by the year 2000, the quantity of treated water will be more than 80 MCM annually, which he said is a "huge quantity in comparison to the water resources in Jordan."

The WAJ official went on to say that his authority's policy is to use as much of this resource for restricted irrigation.

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KUWAIT

WELCOME FOR IRAN'S 'ACCEPTANCE' OF SUDANESE MEDIATION

Kuwait ARAB TIMES in English 26 Aug 86 p 1

[Article by Nabil Ghazzawi]

[Text]

KUWAIT has welcomed reports that Iran had accepted Sudanese mediation to end the war with Iraq.

The personal adviser of the Sudanese prime minister, Abdul Tahman Farrah, told a press conference in Abu Dhabi this week that Iran had expressed its readiness to accept Sudanese efforts to end the war. Iran's stand was voiced by its Foreign Minister, Ali Akbar Velayati, when he visited Khartoum.

Kuwait's Deputy Premier and Foreign Minister, Sheikh Sabah Al Ahmad, told Seyassah newspaper yesterday that Kuwait would be very pleased if Iran accepted mediation to end the war against Iraq.

Replying to a question from Seyassah, Sheikh Sabah voiced the earnest hope that the news about Iran's accepting Sudanese mediation was true.

Sheikh Sabah was speaking after a meeting with Iraq's Ambassador to Kuwait, Abdul Jabbar Omar Ghani, which covered bilateral relations and subjects on the agenda of the forthcoming Non-aligned Movement summit.

Ghani told Seyassah newspaper after the meeting that they discussed Iran's intensive military reinforcement on Iraq's borders and Iraq's counter-preparations to confront any military onslaught on its territories.

/13104
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KUWAIT

CHARITY AGENCY DIRECTOR REVIEWS AID TO WORLD MUSLIMS

Kuwait AL-SIYASAH in Arabic 21 Aug 86 p 3

[Article by Muhammad al-Shamri: "World Islamic Charitable Agency Board Director Tells AL-SIYASAH That the Agency Has Given US\$5 Million In Aid To Islamic Centers Around the World"]

[Text] World Islamic Charitable Agency Board Director Yusuf Jasim al-Hajji has announced that since its founding in June 1984, the agency has given US\$4.5 million in aid to numerous Islamic organizations, centers and individuals in various parts of Africa, Asia, Europe, Australia and elsewhere.

Talking with AL-SIYASAH, he said that from its founding until September 1985, the agency gave about 500,000 Kuwaiti dinars in aid for non-emergency cases and 250,000 dinars for urgent relief. He added that from September 1985 to February 1986, the agency provided 679,219 dinars, or about \$2.25 million, in aid to Islamic agencies and centers overseas.

Al-Hajji explained that this aid is of several different kinds, depending on the social cases for which it is paid, the sources of the aid, or the number of applications. He said that assistance to important cases is distributed on a priority basis to organizations or individuals. Urgent relief is for the most serious social cases. In addition, there is aid to poor families, aid for medical treatment or education, contributions towards health, cultural and educational projects, and aid to Islamic centers.

He added that 52,249.285 dinars have been paid to urgent relief cases, 5,887.780 dinars to poor families and individuals, 3,575.650 dinars for medical treatment, and 64,695.900 dinars for educational aid to organizations and individuals. Via existing Islamic organizations, the agency has given 182,209.605 dinars in aid to mosques, schools, universities, hospitals and asylums, 10,398.300 dinars in aid to Islamic organizations for the purchase and distribution of Qur'ans and Islamic books, and 360,203.205 dinars in aid to Islamic agencies and centers. Thus during the current Muslim year a total of 679,219.725 dinars have been disbursed.

He pointed out that priority in obtaining aid from the agency is as follows: support for Islamic agencies and centers first, then mosques, schools, universities and hospitals as well as urgent relief, followed by other cases such as educational aid, then aid to poor families, and then Qur'ans and Islamic books, and then medical treatment.

He said that more than 5,000 requests for aid have been submitted to the World Islamic Charitable Agency by Islamic individuals and organizations in Africa, Asia, Europe, America and Australia. This shows what Muslims are suffering, on the one hand, and their trust in the agency on the other hand.

He added that the agency has continued to meet most of these requests. It was able to provide 69,196.860 dinars in aid to 31 requests from the alms-house, and 538,529.250 dinars in aid to 132 requests for contributions from Islamic agencies. As for individuals, the agency has granted 13,868.680 dinars in aid to 64 applicants, and 5,375.650 dinars in response to 31 requests for contributions.

With reference to agreements and contracts signed by the agency for carrying out Islamic projects throughout the world, Shaykh al-Hajji said that such agreements involve various parts of Africa and Asia and include the following:

1. an agreement to build a girls' secondary school in the village of Tan Marki, Nigeria, signed in September 1985;
2. an agreement to carry out the 1986 program of the farmers' society of Dacca, Bangladesh, signed 30 November 1985;
3. an agreement to build health centers in Bangladesh, signed 3 December 1985;
4. an agreement to construct a building for a Qur'an college in Umm-Durman, Sudan, signed 14 December 1985;
5. an agreement to aid the proposed main investment center in Ankara, Turkey, signed 18 December 1985;
6. an agreement to build an Islamic center in Mashtul al-Suq, in Egypt's al-Sharqiyah Govenorate, signed 29 December 1985;
7. an agreement to contribute towards the 'Uthman Ghazi endowment in Bursa, Turkey, signed 25 January 1986;
8. an agreement to build a mosque in Bunduq Yutsung, Indonesia, signed on 28 January 1986;
9. an agreement to build the al-'Aziziyah Mosque in the Dikman area of Ankara, Turkey, signed 19 February 1986; and
10. an agreement to drill two artesian wells for the village of Sansandang, Mali, signed on 26 February 1986.

Al-Hajji added that the agency has given the greater portion of its aid to Africa, where four projects are now under way. Asia's share consists of six assorted health, educational, commercial, religious, agricultural and general charitable projects.

Asked whether there is coordination between the agency and various other Islamic organizations and agencies, al-Hajji replied that the World Islamic Charitable Agency coordinates and maintains contact with various organizations around the world by means of cultural and information-gathering contacts. The agency's president visited several Islamic areas in Pakistan and Indonesia in order to investigate the conditions of Muslims there.

The agency has also participated in Islamic conferences and seminars, such as the World Islamic Youth Seminar's sixth conference on Islamic minorities, which was held in Riyadh. The agency has taken part in the proceedings of the board of the Dubai Islamic Bank in the United Arab Emirates and the secretariat of the World Islamic University in Islamabad, Pakistan.

The agency has also sent delegations to Mauritania to investigate and follow up projects there, and to study vocational education projects and centers in Somalia. In addition, there has been voluminous correspondence between the agency and cultural and scientific organization in order to request their publications, such as the University of 'Amman in Jordan, the Arab Gulf States Educational Center, the Arab Organization for Agricultural Development, King Sa'ud University, the University of Tunisia, the University of Kuwait, and the Ministry of Endowments and Islamic Affairs. The agency has also made field trips to several organizations to obtain information, hold talks about drawing up publicity plans for those organizations, or to collect more mailing lists of local, regional and international organizations and authorities.

In addition, there have been studies, research, and press interviews about the distribution of aid, the major recipients of such aid, sources of finance, and the basis of distributing such aid, not to mention correspondence, which numbered about 1,832 letters during the first half of this Muslim year. Al-Hajji explained that delegations and individuals from various parts of the world have visited the agency's Kuwait headquarters, the most prominent visitors being President of Turkey's Islamic Group Najm-al-Din Arbakan and Islamic Group Delegate Ahmad Ariqan, Abu Dhabi Chief Islamic Justice Shaykh Ahmad 'Abd-al-'Aziz al-Mubarak, President of Pakistan's World Islamic University Dr Husayn Hamid Hasan, and other people from all over.

At the end of his talk, al-Hajji called on all Muslims capable of so doing to extend a helping hand to the agency, which is working to accomodate and assist Muslims around the world.

The Kuwait Headquarters

It should be mentioned that the person who thought of establishing the World Islamic Charitable Agency was Dr Yusuf al-Qardawi, dean of the Islamic Law College of Qatar University. He initiated his appeal by suggesting that every Muslim pay one dollar to this agency, which would yield \$1 billion, the number of Muslims in the world.

This suggestion caught the attention of all those working with the Islamic Call, and crystallized in the establishment of the agency on 17 June 1984. The founders agreed that Kuwait would be its headquarters, and after that contacts were made and steps were followed to establish the agency, culminating in the recent issuance of an Amiri decree stipulating that Kuwait would be the agency's permanent headquarters, and that it would commence the activities for which it was founded as of the date of the decree.

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CSO: 4404/501

KUWAIT

BRIEFS

JULY WORK PERMITS--Director of the Ministry of Social Affairs and Labor's Capital Area Labor Office 'Abd-al-'Aziz al-Kulayb has announced that during July the department carried out several assigned procedures and tasks, including recruitment control. The work permit section reviewed 17,344 cases, which included 3,453 entry work permits, 1,733 first-time work permits, 7,598 work permit renewals, 1,978 terminations for job transfers, and 2,482 terminations. Furthermore, 7,606 permits were issued, including 2,865 entry work permits, 1,843 first-time work permits, 9,133 work permit renewals, 1,413 terminations for transfers, 2,290 final terminations for departure, 53 permits for businessmen, and 10 permits for simple trades. [Excerpt] [Kuwait AL-SIYASAH in Arabic 25 Aug 86 p 3] 8559

EXPATRIATE TEACHERS--Assistant Deputy Education Minister for Public Education Mrs Su'ad al-Rifa'i announced yesterday that the ministry has mobilized all its resources to get ready for the new school year without any obstacles or difficulties. She said that the various ministerial departments recently finished putting the final touches on preparations for the school year, which for male and female secondary school teachers will begin in early September. She mentioned that loan contracts for 500 male and female teachers were renewed recently, and that more than 350 male and female teachers from Egypt have been contracted to work in the schools in those areas required by the ministry. She added that there are more than 300 new teaching positions to be filled through local hiring. Mrs. al-Rifa'i praised the great help offered by the Egyptian government towards contracting new loan teachers and renewing previous loans. It should be mentioned that an educational delegation headed by Assistant Deputy Minister 'Abd-al-Muhsin Nasir al-Sa'id and Assistant Deputy Minister Su'ad al-Rifa'i visited Cairo last March to negotiate with Egyptian Education Ministry officials about promoting educational cooperation between the two countries. [Excerpts] [Kuwait AL-SIYASAH in Arabic 25 Aug 86 p 3] 8559

POLICIES APPLAUDED BY USSR--The Soviet Union's official newspaper said today that there was no fear for the Kuwait economy despite the great difficulties caused by the reduction in oil prices in the international market because Kuwait depended on other sources of income to help it overcome the difficulties. Commenting on Soviet-Kuwait relations, it said they were built and developed on mutual respect and friendship. It said that Kuwaitis paid heavily for defending their independence and freedom, and added that the ruling family was famous for fighting foreign invasion. It said the first ruler of Kuwait, Sheikh Sabah, was an expert in military and political affairs. It stressed the important role of oil in bringing about a remarkable change in Kuwait, and said that the wisdom of Kuwaitis made them search for other sources of revenue although there were large quantities of oil. The newspaper said that the Kuwait government had decided to use a large slice of the oil revenue to develop the economy. It pointed out that banking and commercial activities had increased to an extent that made Kuwait one of the biggest commercial and financial centres in the Middle East. It also referred to the achievements in education, health and housing. [Text] [Kuwait ARAB TIMES in English 26 Aug 86 p 4] /13104

CSO: 4400/287

LEBANON

SECURITY PLAN PREFACES POLITICAL BATTLE

Beirut AL-KIFAH AL-'ARABI in Arabic 30 Jun 86 pp 16-17

[Article: "Implementing Security Plan Is Prelude to Launching Political Battle"]

[Text] Will the efforts exerted by the cabinet committee and the committee concerned with the refugee camps succeed in enabling Beirut to gather its breath gradually, especially Brigadier General Ghazi Kan'an, the head of the Syrian army intelligence operating in Lebanon, is personally supervising the steps and measures taken to successfully implement Damascus agreement No 2?

In response to this question, a prominent government source said: "If there is goodwill and if the parties involved have made up their mind, then I believe that we can shut the security dossier in Beirut, the refugee camps, and their vicinity, and prepare to move to political confrontation, considering the serious phase being undergone by the country and especially since the economic situation needs to be tackled swiftly and before the war of the starved erupts.

The source said that as long as the current situation of lawlessness and chaos in Beirut continues, the political issue will continue to be ignored, adding: Brig Gen Kan'an's arrival in Beirut reflects the degree of Damascus' determination to shut the security dossier in West Beirut and to put an end to the ongoing war between the camps and the surrounding areas.

Brig Gen Kan'an's decision to remain in Beirut until the parties involved begin implementing the Damascus agreement reflects Damascus' wish to bolster the internal situation and to strengthen the relations between its allies because it is well-aware that it is impossible to prepare for any political confrontation as long as the contact lines continue to be present in Beirut streets and alleys.

This is what Brig Gen Kan'an confirmed when he told the political and spiritual leaders that he is staying in Beirut and that Damascus cannot, whatever the reasons, accept continued lawlessness and unrest. Consequently, we are prepared to offer any help likely to lead to the restoration of stability and tranquility. Our decision is clear, Brig Gen Kan'an told the political

leaders. We can no longer remain silent on those who do not wish stability to be achieved. I believe that all the parties concerned have been given our message and we hope that they will respond to the role we are playing at this level.

Brig Gen Kan'an was eager to pose to the political leaders a number of questions dealing with the country's general situation and with how to move to shut the security dossier.

In this regard, Brig Gen Kan'an heard very frank statements to the effect that the security solution for Beirut, for the refugee camps, and for their vicinity must proceed in one line. In other words, this means that any security plan for Beirut will be worthless as long as the camps' problem remains unresolved and that any setback in Beirut, or vice versa, will reflect negatively on the entire situation.

In response, Brig Gen Kan'an asserted that the Syrian move emanates from the need to tackle both problems together. This is why we are moving to establish tranquility in the camps and their vicinity in preparation for restoring the normal situation decisively before we embark on implementing the plan for Beirut.

Despite the wave of optimism generated by Brig Gen Kan'an's presence in Beirut, some of the influential political parties involved agree with the feeling of some Palestinian leaders who find it more likely that the period of stability and tranquility which Beirut may enjoy will amount to no more than a truce.

Some leaders refuse to embark on assessing the measures taken and on whether they will lead to a truce that is open this time to constant stability. But these leaders do, on the other hand, talk about the continues difference between members of the same ranks.

When asked about the reasons preventing them from following a frank approach in the meetings which have been held by the cabinet committee under the chairmanship of Prime Minister Rashid Karami, these leaders are content to say: We avoid embarking on a discussion of the political situation because we believe that it is futile to raise the political problem anew as long as the security situation remains unchanged. Consequently, we aspire for the implementation of a complete plan, but in stages that begin first with ensuring that the Lebanese stands fast in the face of the challenging threatening him.

Issue Is Political

Ex-Prime Minister Salim al-Hiss sees in turn that the current phase requires us to raise the political issue anew. But raising this issue is obstructed by the presence of a security problem that has led to estrangement between the allies. We must obviate this problem. If we succeed, then our future movement must be confined to reviving the political issue for which we are working.

Pausing before the Gulf tour made by President Amin al-Jumayyil, ex-Prime Minister al-Hiss has expressed the belief that his tour has permitted the president to again present the Lebanese problem from his viewpoint while we busy ourselves and spend our time pursuing issues concerning the closure of this office or the release of that kidnapped person.

Ex-Prime Minister al-Hiss hopes that the efforts will succeed this time in establishing stability as a fundamental step which must be achieved if we are to carry on with our political battle, or else any expanded Islamic meeting will again dwell on security details while the crisis intensifies and the economic situation moves from bad to worse.

While waiting for the Syrian efforts to succeed in creating the circumstances that help resume the political battle now that the talk about settling the battle with the side opposed to the tripartite agreement has turned into mere words, the influential parties have begun to experience a phase of despair and to believe that there can be no solution to the Lebanese problem unless regional and international intervention takes place to secure a settlement that helps rescue whatever remains of Lebanon.

Regarding the report leaked from the meeting held by the cabinet committee at Karami's residence on a plan to entrust ex-Prime Minister al-Hiss to tour a number of Arab countries to explain the viewpoint of those opposed to President al-Jumayyil, such an assignment depends on ensuring the security climate that encourages al-Hiss to present the Lebanese crisis. Otherwise, he is not willing to go to the Gulf states if the situation remains unchanged because he fears he will encounter those who will ask him about the situation in West Beirut.

Instead of asking the Arab countries to provide aid to Lebanon, ex-Prime Minister al-Hiss will find himself unable to respond to any question on the reasons that continue to prevent an end to the sectarian and denominational conflicts. The importance of the tour which al-Hiss may conduct lies in telling the Arab countries something different from what they have heard from President al-Jumayyil.

Al-Hiss' tour will be a political tour seeking to inform the Arab countries that have received President al-Jumayyil, and that there is an internal problem that continues to intensify and to prevent the achievement of inter-Lebanese accord.

Touring President

To return to the tour made by president al-Jumayyil, this tour has amounted to no more than a propaganda endeavor seeking to take the Lebanese problem with all its complexities and dimensions beyond the borders of Lebanon. The reason for this endeavor is that the Arab countries that have received President al-Jumayyil do have the argument for not offering any aid on the pretext that the failure to unite the Lebanese position does not encourage extending a helping hand to Lebanon.

Perhaps the fundamental signal President al-Jumayyil has sought to send to Damascus is that he is willing to overcome the complex of the tripartite

agreement and to work with the spirit of the agreement. But he has not succeeded in ending the estrangement existing between him and Damascus since the 15th of last January, even though influential circles close to Ba'bda Palace believe that the climate between Beirut and Damascus has begun to improve gradually and that there have been active, though indirect, contacts recently. But the touch of optimism about which President al-Jumayyil's circles speak seems to have no trace among the leaders who visit Damascus constantly.

In this regard, a prominent minister has asserted that there is no base for the optimistic climate spread by a number of those close to President al-Jumayyil. This minister has also acknowledged that repeated attempts have been to re-establish communication between the two capitals but that these attempts have produced no positive results.

This minister has also revealed to AL-KIFAH AL-'ARABI that an attempt was made recently by a Lebanese businessman tied by good relations to both President al-Jumayyil and ex-President Franjiah to arrange a meeting between the two men to culminate with empowering Franjiah to go to Damascus to discuss with its prominent officials the possibility of restoring normal relations between Ba'bda and Damascus.

But the attempt did not last due to dual opposition from ex-President Franjiah and from Damascus. This is why an Arab move has been made in the hope of mediation by Damascus' friends to prepare for a four-man summit to be attended by King Fahd and Presidents al-Asad, al-Jumayyil, and Chadli Bendjedid.

But the countries concerned have decided not to move until they find that the climate permits holding such a conference.

Moreover, most of the leaders believe that the most that can be achieved in Lebanon at present is, perhaps because of the impact of the economic crisis, a truce that permits turning attention to the economic problem and to discussing some steps that help halt the problem, if not solve it.

Monster of Economic Crisis

In other words, what is required at present is to make efforts to halt the deterioration. But this requires that Karami's cabinet, which is on open vacation because of the disagreements existing between the regime's leaders and the cabinet, to take steps and measures. The mediation efforts have not succeeded in creating the climate to hold a single session to be devoted to discussing the economic and social problem.

The estrangement continues and the crisis is likely to intensify as long as the local parties concerned are no longer capable of providing a solution without decisive regional and international intervention. Nothing calling for optimism looms in the political horizon, despite the visit and the appeals Maronite Patriarch Mar Nasrallah Butrus Sufayr has made to the Vatican and despite the visit Husayn al-Husayni, the Chamber of Deputies speaker, has made to the Soviet Union.

The only thing that may emanate from Patriarch Sufayr's visit to the Vatican is agreement by the Pope to send his envoy, Monsignor (Achilles) Silvestrini, to Beirut and Damascus anew, but this time with a new directive to seek an outlet that rescues Lebanon. Should this be impossible, then let the search be made for a means to halt the deterioration that has begun to take its toll at all levels.

It can thus be said that Beirut will experience a better security situation than the situation in which it is floundering at present. This situation may lead to stability if Damascus' allies respond to the mission for whose accomplishment Brig Gen Kan'an has come specifically, especially since the other faction strives ceaselessly to hold these allies responsible for the current economic situation on the pretext that all that has happened is due to the boycott decision made by the prime minister on agreement with the nationalist ministers.

On the other hand, the parties undermined will move anew to counter the efforts made by Damascus to shut the security dossier as a step on the path of creating the climate for resuming the political battle.

Will the faction opposed to the Damascus agreement succeed in implementing its "defense plan?" The answer is left up to the rapidly unfolding developments in the Lebanese arena, especially since these developments come at a time when the political battle is at the peak of its intensity.

Moreover, the other faction tries at present to escalate its political battle against supporters of the tripartite agreement. At the beginning of this week, this faction took a direct step at this level, even though the step has received no response from the Chamber of Deputies' members who refuse to be dragged into organizing a campaign aimed at the role played by Speaker Husayn al-Husayni. A plenary parliamentary meeting was supposed to be held at the residence of Deputy Ilyas al-Harawi to discuss the general situation. But circles close to the regime and to ex-President Sham'un and his allies hastened to contain the initiative launched by Deputy al-Harawi. Thus, a large number of deputies were compelled to boycott the meeting so that their participation would not be interpreted as support for the president of the republic and his allies against their opponents.

The parties influential in the Christian street may resort to besieging the parliamentary movement launched by Deputy al-Harawi out of their conviction that the mere call for a plenary parliamentary meeting may lead to discussing the position declared by Prime Minister Karami--a position demanding that both the president of the republic and the cabinet members resign together.

It is natural for the trade unions and the popular organizations to respond to the citizens' calls for rescuing the country now that it has approached the abyss. But the success of this response depends on the strength of the regional and international desire to intervene at present and provide Lebanon with urgent aid before it is too late.

The political battle goes on, but with greater escalation, by virtue of the enormous problem that is being experienced by the country and that may lead this time to uniting the Lebanese under the slogan of exerting efforts to secure a living.

LEBANON

BANKS FACE SUBSTANTIAL FISCAL, ECONOMIC PROBLEMS

London AL-HAWADITH in Arabic 9 May 86 pp 62,65

[Text] For bankers 1985 was a year of confusion, inflation, a decrease in the exchange value of the pound, a decline in investments and increases in non-performing loans. Nonetheless, it is possible to say that the Lebanese banking sector to a large extent, has emerged soundly from the challenges of 1985 and is capable of facing future difficulties.

High levels of inflation affected the banks' budgetary figures. Some of their accounts increased by surprising amounts, as much as 58 percent, 66 percent and 97 percent. Private sector deposits increased from 68.5 billion Lebanese pounds in 1984 to 102.1 billion Lebanese pounds through September 1985, i.e. by 48.9 percent. Nonresidents' deposits increased from 5.02 to 7.6 billion pounds, i.e. by 51.6 percent. Liabilities incurred by nonresident banks increased from 7.3 to 9.2 billion Lebanese pounds, i.e. by 25.7 percent. However, private capital did not increase more than 15.4 percent. That is an increase from 3.3 to 3.9 billion Lebanese pounds. Miscellaneous liabilities increased from 16.2 to 22.06 billion pounds, i.e. by 47.4 percent.

With regard to assets, it is worth noting that savings increased from 5.2 to 8.4 billion Lebanese pounds, i.e. by 58.8 percent. Private sector debts increased from 43.2 to 55.1 billion, i.e. by 27.5 percent, whereas, public sector debts increased from 15.2 to 22.06 billion Lebanese pounds, or by 44.8 percent. Debts on nonresidents increased from 2.9 to 5.7 billion pounds, i.e. by 97.1 percent. Nonresident bank debts increased from 23.2 to 38.8 billion pounds, or by 66.8 percent. Miscellaneous assets increased from 8.6 to 13.4 billion pounds, or by 56.7 percent. Overall, the total collective budgets of the banks increased from 100 billion Lebanese pounds to 145.6 billion by the end of last September.

If one deducts the inflation rate from the increased rates that have been achieved, the banks' collective budgetary items would be less. Through last September, inflation was set at 52 percent according to government indicators. According to this figure and compared to the banks' collective budgetary figures in 1984, deposits decreased by 3.7 percent, nonresident bank deposits by 0.4 percent, nonresident bank obligations by 26.3 percent, private capital by 36.6 percent, miscellaneous liabilities, assets by 6.8

percent, private sector debt by 24.5 percent, public sector debt by 7.2 percent. At the same time debts to nonresidents have increased by 45.7 percent, debts on nonresidential banks by 14.8 percent, and miscellaneous assets by 4.7 percent. Overall in real terms, the total budget decreased 6.4 percent. It should be kept in mind that the inflation indicators relied upon by the government do not reflect the true level of inflation, which was more than 52 percent through September.

Also if the total budget for the banks is calculated in American dollars, the decrease is large. In 1984 the total collective budget was 14.2 billion dollars based on an 1984 exchange rate of seven pounds to the dollar. In September 1985 it was \$9.6 billion, keeping in mind that the average exchange rate for this period was 15 Lebanese pounds to the dollar. Thus the collective budget decreased 32.3 percent when calculated in American dollars.

This situation forced many bankers to state that the banking sector suffered greatly due to the economic crisis in the country caused by continuous warfare and its destruction of public utilities and the economic infrastructure in general. Doctor Na'aman Al-Azhari asserts that the banking sector has lost its ability to attract deposits, "indicated by the actual drop in deposits."

These increases and decreases are of little importance in comparison with the other challenges which face the banks. That is, economic sectors, in general, appear incapable of liquidating the debts owed to the banking sector for the following reasons:

1. The war has caused immense damage to the industrial, real estate, agricultural, and commercial sectors. With regard to the industrial sector, the last 2 years have witnessed destruction to the industrial infrastructure as well as difficulties in exporting and marketing, which has lead to the inability of most industrial companies to repay their debts without rescheduling them. As for real estate, the decline in demand for apartments and land, the impossibility of construction in areas troubled by disturbances, etc. have lead to a freeze on payments by some prominent business men and contractors, and in the best cases have lead to a rescheduling of their debts. As for the agricultural sector, the dangers threatening it have forced the banking sector to bar any financing since 1982.
2. The increase in the interest rates for loans has made it difficult for many debtors to pay off their debts. The interest rate reached more than 17 percent before the last conflict broke out between the Central Bank and commercial banks.
3. Some debtors have taken advantage of the prevailing chaos in the country, especially since the courts have stopped adjudication of legal cases, to avoid paying their debts. In this context, it is said that some banks have reached agreements with those having power of enforcement to carry out previous legal sentences calling for the confiscation of the assets of some prominent debtors who appear to be bankrupt. This

agreement was almost implemented in the beginning of January when events erupted in the eastern region. As soon as some of the debtors heard that the state was going to carry out legal sentences for negligent debtors, they rushed to settle their accounts with the banks.

Bankers believe that the reactivation of the judicial system is a basic condition in the settlement of many pending debts. This conviction has surprised different political and military circles, and lately they have shown a special concern for the banking sector in consideration of the fact that the continuation of its efforts is necessary for the rejuvenation of the Lebanese economy. Despite this concern, debts unlikely to be collected and non-performing loans continue to increase dangerously day after day. Some banking intermediaries affirm that the amount of bad debts is valued at about 10.8 billion pounds, while others say it is not more than 5 billion, and still others say that it has grown to 12 billion.

In general, the banks are committed to a tough lending policy, in that they do not lend except within very strict guidelines and to a closed circle of customers. Banking experts advise that the increase in loans to the private sector at the rate of 27.5 percent last year (through September) was the result of loan rescheduling more than it was the result of new loans.

The deterioration of political, security, and financial conditions in the country has aggravated the situation since the Israeli invasion. Before the invasion, the situation had been full of trust, which was reflected by the receipt of foreign assets in Lebanese banks at a record level of 4 billion dollars in 1981 which gave Lebanon and its banking sector a status on a par with the Arab oil producing states.

Currently, the deterioration in the banks' trust in the economic situation generally is revealed by the strategy which they are pursuing outlined as follows:

1. Extreme caution in lending, refusal to lend in most cases.
2. Entrance into the discount market through speculation in order to achieve profits to at least meet expenses, following the freeze on hiring.
3. Subscription to treasury bonds which definitely give the banks good returns following the increase in the interest rates on these bonds.

This strategy has clashed with the policy which the Bank of Lebanon has been pursuing since the beginning of the year, using monetary means to reduce the level of inflation and maintaining the exchange value of the pound as much as possible. This clash has led to an open struggle between the Bank of Lebanon and the banks.

The struggle broke out last January after events in the eastern region revealed that peaceful solutions to the Lebanese crisis had become remote. This atmosphere, filled with fighting encouraged a flow of emigration out of the country and the exchange of huge sums from pounds to dollars. It

appears that a group of bankers took advantage of the circumstances to raise the price of the dollar from 19.3 pounds to 27 pounds at the beginning of last February. In light of this, the Bank of Lebanon had to intervene in the market. As speculation on the value of the pound increased, the Bank's intervention increased until it was able to lower the exchange rate for the dollar from 27 Lebanese pounds to 19.4 pounds. However, this intervention cost the Bank of Lebanon about 250 million dollars. Most of this went into the accounts of some banks.

The Bank of Lebanon requested through its channels that the concerned banks return about 200 million dollars to the Central Bank. When the bank rejected the request, the Bank of Lebanon immediately took some severe measures chief among which was raising the mandatory reserve from 18 to 22 percent of total capital to reduce the liquidity of the market which the banks had been using to speculate with dollars and foreign currencies.

The banks' response to this tightening up was to abstain from subscribing to treasury bonds. The Central Bank then proceeded to announce the sale of treasury bonds directly to the public, and tellers at the Bank of Lebanon were available to the people despite the monetary and credit regulations that prohibit the Bank from such transactions. At that time, the banks sought to open up a dialogue with the Central Bank to arrive at an appropriate solution since this banking conflict would have led to the lowering of the public's trust in the Lebanese banking system as a whole.

The public's subscription to the treasury bonds during the first week was reasonable. However, the Central Bank quickly realized that it would be insufficient, because the banks, in turn, had raised interest rates on deposits so that the interest rate on the bonds (22 percent per year) was insufficient to attract most people. Since the state desperately needed money to cover its expenses and since bond subscription appeared to be insufficient, the state had no sources of financing other than the Bank of Lebanon.

In the wake of this situation, the Bank of Lebanon decided to compel the banks to subscribe to treasury bonds at a level of surpassing 30 percent. The banks then filed a complaint against the Central Bank before the Advisory Council, claiming that the measures applied by the Central Bank were illegal. It is worth mentioning that this was preceded by the issuance of proclamation number 635 which required the banks to set aside a percentage of their deposits for subscription to treasury bonds. Deliberations between the two sides ended with an agreement to reduce this percentage to less than 30 percent of total deposits. However, on the following day the banks were surprised when the board of directors of the Central Bank of Lebanon arrived at a decision differing from what had been agreed upon.

This 3 month old conflict has resulted in nothing so far, except for the decrease in the exchange rate of the pound.

Lately, the severity of the conflict has lessened and the two sides have begun to prepare themselves for a final agreement although the crisis of the pound has not been resolved and is still awaiting a solution which goes beyond the fiscal context and deals with the economic, financial and security situation.

12390/9190

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LEBANON

BRIEFS

IMPORTS FROM TURKEY--In 1985 Lebanese imports from Turkey reached 127.8 million dollars compared to Lebanese exports which did not exceed 400,000 dollars. The Turkish imports are comprised of a number of goods and materials, most important of these are livestock, fresh meat, and fish comprising more than 60 percent in addition to grain, vegetables, dried fruit, and some equipment. In 1984 Turkish exports to Lebanon reached record levels of 155 million dollars. Last year's decline is attributed to the increased prices of local goods because of the devaluation of the pound, which was reflected in decreased consumption especially for luxury goods. Turkey has been striving to increase its exports to Lebanon within the context of paying more attention to Arab markets especially in the last few years. [Text] [Paris AL-MUSTAQBAL in Arabic 24 May 86 p 38] 12390/9190

INTERNAL DEBT INCREASES--Statistics from the Bank of Lebanon and the Ministry of Finance indicate that the general internal debt had reached, by the end of last April, about 56 billion Lebanese pounds compared to 53 billion pounds at the end of 1985. This debt is made up of debts owed by the state to the Bank of Lebanon (about 17.8 billion pounds) and to the banking system. However, these numbers do not reflect all of the real debt accumulated. That is because the loan from the Bank of Lebanon took on another form 3 months ago. It is made up treasury notes which the banks have discounted from the Bank of Lebanon. So a note purchased by a bank can be purchased by the Bank of Lebanon after discounting. The debt, however, belongs to the state even as it moves from one creditor to another. By factoring in these debts the internal debt increased by the end of April to 60 billion pounds or about 13.2 percent since the beginning of the year. [Text] [Paris AL-MUSTAQBAL in Arabic 24 May 86 p 38] 12390/9190

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OMAN

NEW DEVELOPMENT PLAN SEEKS MORE PUBLIC PARTICIPATION

London AL-TADAMUN in Arabic No 176, 23-29 Aug 86 pp 44-45

[Article: "More Public Participation, an a Minimal Expected Deficit"]

[Text] At the beginning of this year, Oman entered a new phase in its modern rebirth with the start of its third 5-year plan for 1986-1990. This rebirth burst into being at the hand of Sultan Qabus bin Sa'id on 23 July 1970, a day which represents a turning point in Oman's modern history and signals the beginning of his progress, hand-in-hand with the Omani people, towards building a modern state in Oman and creating the new Omani citizen, the backbone of any sound, scientific planning. Since that day, the Sultanate of Oman has made great efforts and taken confident strides towards beating the clock in bringing about the Sultanate's great rebirth. This task has not been easy, and has required great efforts, sweat, self-sacrifice, and devotion to work.

Early this year the Sultanate of Oman began implementing its third 5-year plan, which will end as we embark on the Nineties. This new plan was preceded by two other 5-year plans, the first of which lasted from 1976 to 1980 and the second from 1980 to 1985. The third plan is their successor and complements them both.

Scientific planning began soon after Sultan Qabus took over the country's affairs in 1970, and has passed through three fundamental, distinct phases.

The first, preparatory phase began in 1970. Its basic goal was to create the infrastructure for sound scientific planning in order to achieve general development. Sultan Qabus stressed this when he said, "The first thing I will do for you--the task I have imposed on myself--is to begin modernizing the government as soon as possible."

The second phase consisted of the first 5-year plan for 1976-80. As soon as the preparatory phase for initiating development in Oman was finished, the Sultanate entered the first round of comprehensive development. The basic goal of this first 5-year round of development was to diversify the nation's economy on the one hand, and to improve the citizens' standard of living on the other hand. During this plan, the Omani economy clearly developed, with

total local production achieving an average yearly growth rate of 20.3 percent in current prices. Yearly growth in the non-petroleum sectors also achieved a higher yearly growth rate amounting to 19.7 percent in current prices, and the country's other resources were developed. The Omani economy's capacity also increased noticeably, for investments totalled 1.679 billion Omani riyals, as opposed to 455 million riyals during the preceding 5 years. During this period social development expanded in scope, and more schools, clinics, hospitals, and subsidized housing units were built throughout the country. Communications, roads, transportation, water, electricity and other utilities were also developed in order to meet the needs of the diversified economy and to achieve a higher standard of living.

The third phase coincided with the second development plan for 1981-85. This plan basically concentrated on achieving self-reliance through balanced development. Within the context of this plan, the Sultanate worked to achieve several important goals, the most important being realizing growth in agriculture, fishing and industrialization, and making the national income more economically diversified. The Sultanate began to be increasingly concerned with maintaining its oil production, inasmuch as oil is a resource not only for present generations but for future ones as well. This phase witnessed giant steps in the non-petroleum sectors; during the second 5-year plan the agricultural sector received 45 million riyals, while 28 million riyals were allocated to find new water sources and to improve and develop outdated irrigation methods.

The growth in the production sectors was accompanied by increased expenditures on education and social and health services. The Sultanate also attached importance to building up the human resources needed to achieve development, and made efforts to encourage the private sectors to work with the government sector in the development process. In order to increase opportunities for the public to participate in general development, the Consultative Council was formed, thereby granting the citizens a greater degree of participation in planning and developing the economy and social services.

Since public participation is an essential avenue to progress and prosperity, the third 5-year plan aims at increasing such participation in development through constructive dialog between the members of the Consultative Council and the ministers responsible for various areas of development. This growing public participation will reinforce several other satellite goals, the most important ones being achieving self-sufficiency in strategic food crops, particularly wheat, now that scientific studies have proven that wheat can be grown in the Sultanate; meeting the various sectors' priority needs during the coming phase; achieving a 4 percent average yearly rate of growth; highlighting the importance of the private sector in economic activity; and expanding public services and utilities in various areas.

Sultan Qabus University will provide new impetus to this latest phase of Omani planning. This university is one of the chief variables which will increase the chances of successfully achieving balanced growth in keeping with the Omani environment and circumstances, since only the Omani can actually make plans for his country and assume responsibility in all areas. The university will help create qualified, devoted cadres who will be the cornerstone of the strategy of self-reliance.

Furthermore, one feature of the third 5-year plan is that to a certain extent it looks to the future, with its confident, giant strides, and to the recent past, with alert, open eyes, in order to benefit from Oman's previous historical experience and to protect the accomplishments of previous plans, maintain and preserve their projects, and complete other basic services.

Obstructing or limiting the plan's success are certain domestic and foreign factors, such as the resources available to the country, finance problems, and the prevailing international economic circumstances, which basically consist of instability on the international oil market. This affects Oman directly, since oil is a major, chief source of money for financing the plan's projects. Therefore, this plan is giving a strong start to Oman's economic and social development process. A quick review of the new plan's allocations may perhaps illustrate the increased scope of this plan as compared to the two previous plans. These allocations amount to 9.25 billion riyals, with a deficit estimated at only 594 million riyals. Of this deficit, 300 million riyals is to be made up from state funds, while the remaining 294 million riyals, which is only 3 percent of the plan's total allocations, will be met from additional foreign revenues.

There is no doubt that under the third plan, which is an important phase in the Sultanate's economic and social development, the foreseeable future holds out great hopes and expectations for success. The hopes and aspirations which rest on this plan derive from the historical experience of the Sultanate itself. This plan was set up on the basis of that prior historical experience, and therefore will be more fortunate and more successful than the previous two plans.

In this context, it remains to be emphasized that the Omani model for comprehensive development realizes that such development must be in keeping with the traditions, character and deep-rooted values of the Omani citizens, and that sound scientific planning is the best way to build a competent, moral, realistic development strategy.

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CSO: 4404/496

QATAR

PROGRESS SINCE INDEPENDENCE SURVEYED

Dubayy KHALEEJ TIMES in English 3 Sep 86 p 6

[Article by R. Mohan]

[Text] DOHA—There is a tangible chance in the pace and mood of Qatar as it celebrates today the 15th anniversary of independence. The year that is past has been a period of uncertainties for planners and policy-makers. Fortunately though, Qatar has emerged relatively unscarred from record lows in oil prices, regional conflict and an economic downturn.

Thus Qatar faces its 16th year of independence in a sombre mood. Just about the only bit of good news was the agreement by Opec members to cut down on oil production. Qatar has abided by the decision, almost immediately trimming its production to its ceiling of 280,000bpd. Budget planners, who could hardly be expected to prepare a budget last year owing to the total uncertainty of revenue levels, have a better chance now if the Opec agreement holds and the oil prices keep steady.

The fiscal 1986-87 is being managed on the basis of a 15 per cent reduction in budgetary provisions of the year before. No formal budget was presented. Even so, thanks to declining imports, expenditure has been less than that projected.

It is remarkable that despite measures that tightened public expenditure, the government has been able to keep in place most of the welfare measures. In the medical field for instance, free treatment and provision of medicines have continued, despite talk of charging a nominal fee to discourage abuse of drugs. In fact, facilities at the Hamad General Hospital have increased during the last year. The new women's hospital is expected to be commissioned later this year.

The number of schools and pupils had continued to increase. Education is free in the government schools. There was an increase of 4.38 per cent in the number of students at the beginning of this year, totalling 49,357. Girl students numbered 23,964. Besides these, there are now 4,624 students studying at the Qatar University, of whom 2,822 are girls. The government has also sponsored some 1,155 male and female students for studies in universities abroad. A number of new schools were being constructed during the year, though contracts in other sectors were severely restricted.

Education has been a priority sector in Qatar from almost the first day of independence. The results are noticeable now. More and more Qataris are arriving fresh from their university convocations. It is estimated that some 4,556 young men and women have graduated from the Qatar University so far. Their arrival has meant creating jobs for them. In a way the government has been preparing the ground for these graduates from 1984 onwards, when the first step was taken to trim the number of employees. Qataris are replacing expatriates wherever possible. Both the private and public sector institutions are encouraged to hire Qataris and provide them with on the job training.

The pace of development has certainly changed to suit the needs of economic realities. Almost no major project was undertaken during this year so far. Even the North Field gas project did not take the second step. A number of options are being considered by the authorities before the gas project takes a final shape. The Government has however, made it clear that there is no going back on

the gas project. The future of the country's economy depends on it. The reality is that while the oil prices were chaotic, gas prices have been worse, providing no foothold for any serious planning. There is no dearth of critics, meanwhile, who say that the delay might itself be a costly error.

One must remember, however, that oil revenues by the end of 1986 have been estimated by a Bahrain-based bank as about \$1,628 million for this country, almost half of what it was in 1985, in itself a year of low income. While residents of Qatar have felt the impact of austerity measures, it is nothing like the cut the government itself has had to take. A slackening of pace was necessary. Fortunately, it came at a time when most of the infrastructure was in place. About the only sector where steps will have to be taken immediately is in the generation of power. An ambitious Al Wusail power and desalination plant has been on the planning board for more than two years now.

The power project had reached a stage where tenders were called and bids negotiated

to cut down on costs. But the nod has not been received yet.

The power project will have to be undertaken once the North Field plans are put into effect. And the gas project in turn must go ahead if the industries and power plants must get their fuelstock of dry gas.

Qatar has had to keep up its defence spending this year owing to reasons beyond its control. Early last year itself, His Highness Shaikh Hamad bin Khalifa Al Thani, Heir Apparent and Defence Minister, had said in an interview: "Despite obvious economic circumstances, Qatar continues to keep up armaments steps because His Highness the Amir, Shaikh Khalifa bin Hamad Al Thani, gives great attention to the security, stability and prosperity of Qatar. Qatar, also as a member of the AGCC, contributes to its strength by all means." Consequently, most of the works awarded to contractors this year were defence related.

Thus there is a change of mood and pace to keep up the steady march towards a prosperous, self-reliant and secure welfare state.

/13104

CSO: 4400/290

UNITED ARAB EMIRATES

NEED FOR MONETARY REFORM IMPERATIVE

Dubayy KHALEEJ TIMES in English 6 Sep 86 p 6

[Editorial]

THE UAE Central Bank has indicated that it is intending to set up a basket of currencies to which the dirham may be linked after a trial period, instead of the present linkage with the dollar. No details have been announced as to when the possible switchover may take place, nor whether the dirham's float against the basket will be an open one. But the UAE's intent to safeguard the value of its currency from rapid erosion through its dollar nexus can hardly be understated. The likelihood of the corrective measure, though belated, is welcome.

The dollar's plunge that began in February 1986 continues unabated and the US administration is keen on its currency stabilising at a still lower level, to subserve the broader interests of that country's economy. The 35 per cent dollar nosedive has taken a sharp toll of not only the UAE's but the other Gulf currencies as well, and suddenly these currencies are weaker on a de facto basis. Kuwait alone has the dinar pegged to a trade-weighted basket of currencies.

The governors of the Arab central banks last week held close-door discussions on monetary reform in view of the threatening situation that the sliding dollar has posed for the assets of the member-countries. Most of the Gulf countries' export trade is in dollars, and the large overseas assets are denominated in that currency. Therefore, the anxiety to stem the further depreciation of their currencies and assets is understandable. Little, however, is known whether the Gulf states will jointly take any action.

Going by indications, there is hardly any likelihood of an immediate action in practical terms by the authorities here, though the coming weeks and months will highlight the compulsions to take a definite stance in view of the free enterprise nature of the country's economy. The sliding value of its currency has been specially deleterious to the re-export business whose hallmark is price competitiveness.

The dollar that began to plunge in 1985 led the Arab Monetary Fund to readjust the weight changes in its Arab Accounting Dinar (AAD) monetary unit, which is equivalent to three SDRs. For instance, the weight of the Japanese yen increased from 13 to 15 per cent, and the weights of the sterling and the French franc came down from 13 to 12 per cent, respectively. The weights of the US dollar and the West German mark were left unchanged till 1985.

The dollar-dirham fixed rate has been in existence since 1980, and the dirham's parity vis-a-vis the SDR was fixed in 1978. But as a result of the dollar's strengthening in the ensuing years and the dollar-dirham nexus, there has been no change in the exchange rate between the two.

The dollar's surge led to the dirham's strengthening in the early eighties. By the end of 1984, as the Central Bank report reveals, the rise in dirham nominal exchange rate exceeded 106.2 per cent against the sterling, 112.4 per cent against the French franc, 60.7 per cent against the mark, 23.7 per cent against the yen and 108.1 per cent against the Italian lira.

In spite of the downward trend in the dollar during 1985, the dirham value remained high, compared to the base period 1980. For instance, the increase in the dirham's rate against sterling reached 65.7 per cent, franc 66.5 per cent, mark 25.2 per cent and lira 78.4 per cent. There has also been a slight fall of 1.3 per cent in the dirham-yen exchange. The average rates of these currencies against the dirham fell in 1985—the yen by 0.4 per cent, the pound by 2.9 per cent, the mark by 3.33 per cent and the lira by 7.8 per cent. The dirham's effective rate rose by 3.06 per cent in 1985 going by the weight of the average exchange rates of the currency.

The UAE monetary authorities did not change the dollar-dirham exchange rate so far simply because the dirham value is still high against other currencies: it rose above the upper margins of its par rate with the SDR through the past years, and stayed many percentage points above those margins up to the end of 1985. But the domestic economic conditions favoured a descending trend in the exchange rate of dirham against the other currencies in order to protect the state's reserves against possible depletion. Therefore, the new policy formulation, well designed to accommodate such developments, has become imperative.

/13104

CSO: 4400/285

UNITED ARAB EMIRATES

MORE 'REALISTIC' ECONOMIC EXPECTATIONS URGED

Dubayy KHALEEJ TIMES in English 26 Aug 86 p 6

[Editorial]

KUWAIT'S budget for 1986-87 unveiled on Sunday reflects the prevailing economic and fiscal trends throughout the Gulf. The sharp fall in oil revenues—forecast at 38 per cent for Kuwait—is a fact of life which Gulf countries are beginning to live with. That they have not been totally thrown off-balance by the development can also be seen in the Kuwaiti budget, which hopes to have only a nominal deficit to cope with at the end of the next fiscal year. But that is due to the confidence generated by the cushion of reserves built up over the boom years, and it is necessary that the search for ways to cool down the region's consumption-oriented economies should continue. The Gulf budget-makers' dilemma becomes acuter because of the reluctance to tamper too much with the established welfare-state models or to consider any drastic revenue-raising measures. In the end, one is left with the only expedient of trying to make savings in public expenditure wherever possible. Kuwait envisages an 11 per cent spending cut, but the wage bill is due to rise by nearly 4 per cent next year. There is obviously much scope throughout the Gulf to further rationalise the situation of over-staffing and over-manning which has been coming down from the 70s.

While managers of the Gulf economy grapple with the job of adjusting fiscal policies to the new realities, it is also necessary that the individual should be asked to share some of the task of creating a less extravagant society. A committee appointed by the Kuwait government last year to suggest steps to revive the economy had emphasised that people should learn to depend less on the state and added that there was no reason why sections that could afford to meet their needs should have their consumption subsidised by the government. It had pointed out that the state's concentration should be more on limited-income groups, which would also be socially just. Many of the benefits of state subsidies have come to be taken for granted by Gulf nationals and the expatriates living and working in the region, but tough decisions need to be taken to maintain growth and for the sake of future generations. There ought to be a greater emphasis therefore on cutting down on all wasteful and extravagant spending. Kuwait may be showing the way to the required readjustments.

It has been said that the Gulf is going through not so much a 'recessionary' stage—with the grossly exaggerated profit expectations of the private sector significantly contributing to this term—as a corrective phase. It is helping everyone to set sights on more realistic targets, and the best possible use should be made of this moment to see that the area emerges in good shape for the next period of economic growth.

UNITED ARAB EMIRATES

DUGAS OFFICIAL PROPOSES FEDERAL GAS LINK

Dubayy KHALEEJ TIMES in English 31 Jul 86 p 6

[Editorial]

SOME proposals seem so apt and so intrinsically sound and feasible when they are made that one wonders why they weren't made before or at least pursued more energetically. One such proposal has just been put forward by the Deputy Chairman and Director of Dugas, Mirza Al Sayegh, in an interview with this newspaper. He has suggested an integrated gas grid across the UAE which he says would cut costs, help industrialisation, and reduce pollution, besides of course ensuring a uniform supply of gas for all parts of the country. Looking back at newspaper files for the past year or so, one comes across several references to the need for an AGCC gas link, with the fact being cited that some of the member-countries find themselves hard-pressed at peak times to adequately meet the needs of both industrial and domestic consumers. This is also certainly a scheme that should receive the attention of the region's planners. But, as Mirza Sayegh has said, "let us link the UAE first as a beginning." Emirates which have excess gas can supply those that need energy. It will also "greatly strengthen the federation" and promote economic integration.

The nucleus for a national grid already exists in the shape of the pipeline linking Sharjah and Dubai which provides Dugas with 100 million cubic feet of gas per day from the Sajaa field. This was hailed as one of the big achievements of the federation when it had started operation early this year, and that the financing of the project was helped by a loan from the National Bank of Abu Dhabi provided an example of cooperation between the country's three biggest emirates. The Sajaa field had previously found a national buyer in 1983: the Emirates General Petroleum Corporation, which had started buying 70 million cubic feet a day for power generation and industrial use in the Northern Emirates. The UAE ranks among countries with the largest gas reserves, and there is a very strong case indeed to exploit the wealth to the maximum advantage of everyone. Each emirate has its own priorities with respect to domestic and export requirements, but there is no reason why these should not be properly matched; in fact, the priorities may be better met with cooperation among all producers.

Where the wider question of a Gulf gas pipeline is concerned, it is felt that there ought first to be greater coordination in the region on both production quotas and prices. Once agreement is reached on these aspects, the region will be better able to make use of one of its most precious resources and, in the process, attract greater foreign investment in industries at a time when economic diversification is being assiduously sought.

AFGHANISTAN

HUNGARIAN WEEKLY REPORTS ON CURRENT SITUATION

Budapest MAGYARORSZAG in Hungarian 27 Jul 86 p 8

[Article by Miklos Keleti: "Voices of Kabul"]

[Text] "The progress of the victorious revolution is a complex, contradictory process that may include advances, retreats and re-groupings. The party must be able to explain that the progress of the national democratic revolution is in the interest of every worker, nationality and tribe, every patriotic segment of Afghan society. In connection with this, we must critically analyze everything we have achieved thus far, and until now it is exactly this critical view that was missing in our country."

These sentences are from a speech given by Nadjibullah, the first secretary of the People's Democratic Party of Afghanistan, at the 10 July meeting of the Central Committee. It has been a very long time since a speech with such a critical tone has been heard by the highest party forum. This obviously has something to do with the fact that this was the first comprehensive critique presented by Nadjibullah since May of this year, when he replaced Babrak Karmal as first secretary.

The Wisdom of the Masses

In evaluating the domestic situation in Afghanistan, the reader must be reminded of some unfortunate local circumstances. First of all, there is the fact that the political center of the country, Kabul, is remote--and not just in the geographical sense--from the centers of distant territories and the villages. Even if we compare them to those in the developing countries, the infrastructure, transportation and communication in Afghanistan are behind the times. In addition, the country is made up of many nationalities, and three or four million of its inhabitants lead nomadic lives.

In view of this, it is perhaps more understandable that the political terminology used in Kabul, which is often familiar to us, as well as any of the central authorities' intentions, must be confronted by Afghan realities. The masses of devoted Moslems, most of whom are illiterate, hardly comprehended the perspectives offered by the revolutionary developments. In most instances, they see only that the previous traditional forms of life have deteriorated, while the new leadership has been unable to produce an increase

in the standard of living that would have explained to the masses the reasons for the revolutionary changes.

By the way, the attempt to move toward the masses is not an entirely new phenomenon, because the development of a popular front course, adapted to the peculiarities of Afghanistan, had already been initiated during the final years of Babrak Karmal's tenure as secretary. Already last year, fifty-six prestigious non-party-member businessmen and religious leaders were included in the Revolutionary Council, which is currently the highest body of state authority. One of these had taken over the leadership of the Patriotic Front even earlier, replacing one of the party's Central Committee secretaries in the post. A series of local elections was also started, and attempts are being made to revive the practices of traditional tribal meetings in this process.

From the political and military points of view, the most important initiative of the popular front course was its opening toward the nomadic tribes. Migrating Pashtu tribes inhabit critical sections of the Afghanistan-Pakistan border. The party and the government spared no material expenses to gain the goodwill of the tribal chiefs, most of whom command sizeable private armies. Since, for ethnic reasons, these tribes are hardly friendly with the Pakistan government, several of them sided with Kabul and expressed their sympathies in military actions as well. There have been several skirmishes involving the anti-Kabul guerrillas and Pashtu tribal armies. Of course, there were also cases when interests in Pakistan "out-bid" Kabul and tribes turned against the Afghan army, using the weapons supplied to them by Kabul On the whole, however, the tribal policies can be considered successful so far. As a result, the latest meeting of the Central Committee approved this policy. This was also expressed through a decision concerning personnel. Suleiman Lajek, the minister of tribal and ethnic affairs, was promoted from auxiliary to regular member of the Politburo. ("In private life," Suleiman Lajek is a poet and writer, and president of the Afghan Academy of Sciences. His poems and articles reflect his intention to preserve Pashtu consciousness. Lajek emphasizes that about ten million Pashtu reside in Pakistani territory.)

Returning to Nadjibullah's speech--it also reflected continuity in its remarks urging the strengthening of the Afghan army. "It is crucial to augment and replenish the manpower strength of the army, and conscription represents our main reserve in this area."

There are indications, however, that the already forced rate of recruitment must be stepped up in the future. Reading the combat reports coming from Afghanistan, this appears logical. Recently three large strategic offensives have been reported. Forces of the Kabul government occupied one of the most important fortification networks of the armed opposition--hitherto considered impregnable--near the Pakistani border. The central armies can also be credited with the success of mopping-up actions around Herat. (This region is near the Iranian border, and the allegiance of the city or the entire Herat district influences the activities of those counter-revolutionaries who look to Iran as their hinterland.) And, according to the most recent reports, government armies scored significant victories against counter-revolutionaries in the second largest Afghan city, Kandahar, and its environs.

A Strong Army

Naturally, these offensives also meant serious losses for the armies of the government; that is why the replenishment of the ranks is more important now than before.

In fact, the re-establishment of domestic order is a must for achieving the most important foreign policy objectives: gaining international recognition for the regime and achieving comprehensive solutions, including the gradual withdrawal of Soviet troops, the cessation of foreign assistance extended to the counter-revolutionaries, the return of nearly three million Afghan refugees, and international guarantees that would insure lasting success for these achievements.

Seven of the most important armed anti-government factions (though not all of them) formed an alliance last year. They have, however, been unsuccessful in gaining recognition as a second government, either in Washington, Islamabad, or anywhere in the Moslem world. Not long ago they sent a delegation to Western Europe and America. Even President Reagan played host to the delegation, but he termed it premature to give the rebels diplomatic recognition as a second government. Washington sources (not wishing to have themselves referred to by name) also leaked to the press that--in spite of the ceremonial decision on supplying modern Stinger-type rockets to the Afghan guerrillas--the shipment of these rockets is out of the question. The official reason: Congress had not approved the sale of these easy-to-use, shoulder-fired rockets to the Saudi Arabian and Jordanian armies. In view of this, it would be difficult to explain to America's Arab allies how the Afghan guerrillas had acquired the Stingers.

No doubt this could also have been considered, but the real reason must be sought elsewhere. There are advisers around Reagan who are quite familiar with the domestic situation in Afghanistan, the tribal, ethnic and religious factors. These advisers know very well that it would be risky to place all bets on the opposition guerrillas. After all, the groups whose military activities cause the most worries in Kabul government circles are organizations based on an extremist Moslem ideology. They are not fighting against Kabul because of the existence of a "pro-Soviet, communist" government there.

Few people remember, because the events had no global significance at the time, that these organizations declared a /jihaad/, a Holy War, during the Daud government, which was overthrown in 1978, or even earlier, during the time of the monarchy, because they considered even the hesitant moves toward modernization as conflicting with the spirit of Islam. At that time, these organizations were not considered pro-Western, and only a compelling need makes them pro-Western today. When the leader of a counter-revolutionary Islamic group was in Washington in April, he cancelled his meeting with Reagan in protest over the attack on Libya.

Comprehensive Plans

Even above and beyond these elements, the Afghanistan policy of the United States thus far has been characterized by loud propaganda and a more realistic course of actions. Arms shipments to the guerrillas have been kept at a level that assures the controllable nature of the conflict. This was also demanded by the interests of Pakistan and the maintenance of American-Soviet contacts as well.

During recent years, there have been instances when the United States used diplomatic maneuvers to slow progress at the UN-sponsored Geneva talks between Afghanistan and Pakistan. Nowadays, however, it is mentioned that Washington would welcome a possible agreement. The United States realizes that the forces of counter-revolution--due to their character, as well as the prevailing power structure--do not represent an alternative that would be able to govern. Like it or not, it must be recognized that the present Kabul government will be around for a long time. This is clear to the leaders of Afghanistan, too, and their basic principle is this: the more the country is able to eliminate signs of anarchy from the domestic scene, the more likely it is that agreement will be reached in Geneva concerning the gradual withdrawal of Soviet troops, the achievement of a comprehensive consolidation, which could also lead to broader recognition of the present Kabul government on the international scene.

13201
CSO: 2500/392

IRAN

IRP ORGAN COMMENTS ON 'SADDAM'S LAST GASP FOR BREATH'

Tehran JOMHURI-YE ESLAMI in Persian 26 Jul 86 pp 1, 7

[Text] In the name of God, the compassionate, the merciful

At the end of last week, military planes of the Ba'th Zionist regime ruling Baghdad, again attacked residential areas of our country and in destroying a number of the people's houses, they injured and martyred a number of the civilian residents. It is true that this is not Saddam's first war crime and if he is give more breaks, it is not going to be his last crime either. It is important at the present interval to observe and study what persuades the insane ruler of Baghdad to commit such a crime.

The first point of interest in the study of Saddam's motives in his recent attack on the residential areas of Iran is that these attacks coincide with the trip of the prime minister of the Zionist occupier regime of Qods to Morocco and his visit with King Hassan II. The news circles confess that Iran has expressed the most severe reaction to the visit and negotiations between the prime minister of the occupier regime of Qods and the 'Taqt' of Morocco. Exactly a few hours after the severe reaction by the speaker of the Islamic Majlis, Hojjat ol-Eslam val Moslemin Hashemi Rafsanjani, to the treacherous efforts of King Hassan, military planes of Iraq bombarded several residential areas of Iran and murdered a number of our countrymen. The next day, one of the most populated regions of Sanandaj was also attacked by Iraqi military planes and a number of our most deprived Kurdish countrymen were killed under the debris of their homes.

These crimes of the Ba'th Zionist regime of Iraq occur at a time when the rulers of Baghdad approve of the visit of King Hassan and Peres through their smug silence and endorse the new plot of America in the region. Therefore, there is no doubt that one of the purposes of the criminal ruler of Baghdad is to surpass the event of the visit of the prime minister of the occupier regime of Qods with King Hassan.

On the other side, with this crime, the Zionists ruling Iraq intend to show their anger at the precise stand of the Islamic Republic against Peres' visit to Morocco and the treacherous results of this trip. In fact, the new plot that America has in mind for the region is to repeat the Camp David event. An important part of this plot is entrusted to Saddam and his criminal

collaborators. The ill-fated rulers of Baghdad are commissioned to confront all the obstacles standing in the way of the execution of this plot and to support the existence of the Zionists in the region, especially the entity of the occupier regime of Qods as much as possible.

With attention to the mutual cooperation of the occupier regime of Qods with Saddam in the imposed war, the explicit position taken by Saddam in defending the Zionist extortioners of Palestine and the class relationship of Saddam with the Pharaoh of Egypt and the 'Taqt' of Morocco who are evident agents of Zionism in the region, eliminates any doubts and confirms the participation of the pagan Ba'th regime of Iraq with the American plot in order to protect the entity of the Zionist regime. It confirms that the recent crime of Saddam is somehow related to the precise stand by Iran against the Peres' trip to Morocco.

The other point which is worth considering in the study of the recent crime by Saddam of attacking the residential regions of Iran is the extreme military weakness of the pagan Ba'th regime of Iraq after its defeat in Karbela I operation and the liberation of Mehran and the important Golavizan Heights.

One of the important European newspapers has recently written: "It is still too early to determine what Iraq has sustained in its defeat at Mehran and the costly consequences for the regime." This is the fact manifested by Saddam supporters themselves and indicates the extreme desperation and weakness of his Ba'th Zionist regime.

Each time Saddam becomes extremely weak, he makes an effort to commit war crimes. Although Saddam's war crimes do not solve any of his problems, undoubtedly the bloodshed of defenseless people brings joy to a bloodthirsty person like Saddam. This time, with the massacre of our Kurdish countrymen who he has bragged about protecting, Saddam opened his hands more than ever. The ill-fated commander of Qadesieh always talked about the Arab people and repeatedly bragged about protecting them. Finally, we saw how he demolished their houses over their heads and did not even have one bit of mercy for their wives, children, or young and old and he even destroyed their farms.

It is true that Saddam talks about protecting the Kurds and Arabs but when he notices that the Kurds and Arabs are shoulder-to-shoulder with their other brothers fighting in the battlefields against him, he cannot stop from taking revenge on them. Therefore, all the rulers of Baghdad must realize that they do not have many more chances and Islam's combatants, regardless of Kurd, Arab, Turk, Lur, Turkaman, Baluchi or Fars, are determined to continue defending Islam until the downfall of the pagan Ba'th regime. It is in this manner that Saddam and his groups will be punished for their recent crimes very soon. These are Saddam's last moments and Islam's combatants will squeeze his throat very soon and end his shameful and thoroughly criminal life.

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CSO: 4640/440

IRAN

MILITARY TRAINING OFFERED NATIONWIDE IN OVER 12,000 CENTERS

Tehran JOMHURI-YE ESLAMI in Persian 8 Jul 86 p 4

[Text] Mashhad-JOMHURI-YE ESLAMI's reporter: In the course of a press interview in Mashhad during which he cited the objectives and the nature of the activities of the Basij Unit of the Revolution Guard Corps and referring to the recent decree by His Excellency The Imam and the multi-faceted involvement of the people at the war fronts, Hojjat ol-Eslam Rahmani the supervisor for the Basij Unit of the Revolution Guard Corps stated: "Following recent pronouncements by His Excellency the Imam which declared the current year as the year of victory at the fronts, the officials of the Islamic Republic decided to apply all their capabilities toward the realization of this goal. The Basij Unit of the Revolution Guard Corps, in the meantime, has accelerated its works in two areas of training, providing reinforcement and dispatch of forces to the fronts.

The steps which have been taken in connection with expanding military training have been based on inclusion of the public in preparation and military training. In the past, certain camps called Qods Camps were under the supervision of the Corps Basij Unit, and now the extraordinary participation by the people has by necessity forced us to announce our readiness for rehabilitating all of Qods Camps nationwide and raising higher than the present level the membership ceiling during the current year. It has been decided that these camps will be made operational with the cooperation of the support command and people's assistance."

Referring to the number of Basij Unit's bases and locations nationwide, Hojjat ol-Eslam Rahmani then said, "At the present, the Basij Unit of the Revolution Guard Corps and its bases and locations have the most extensive military training network--having more than 12,000 centers at which all classes of people undergo theoretic and practical training on regular time-schedules."

He added, "The Qods Camps do not meet our needs, and with respect to this, we plan to utilize space at some offices, factories and other appropriate locations as needed for holding military training classes. At the present, 5 percent of government employees nationwide are obligated to undergo military training. In this connection, we have provided military training to a large number of country's high-ranking officials and their deputies in Tehran--which training has served as an encouragement for all of the people. Certain Basij

projects relating to government and non-government forces have been implemented and they will be dispatched to the fronts based on a formulated schedule of apportionment which is not under the present conditions compulsory."

With respect to the propaganda aspect and the ever-increasing participation of the clerics at the fronts, he added, "In order to implement the participation and dispatch of reinforcement forces to the fronts we have recommended that Friday Imamas, clerics, and officials in charge function as guide and vanguard and go to the fronts at predetermined intervals in accordance with a schedule of apportionment. In addition to these, rural people from different trades will participate in this comprehensive involvement."

Regarding the seminar for the Basij's elite with 5,000 members in attendance, the official in charge of the Basij Unit of the Revolution Guard Corps said, "There are plans to hold a seminar in Tehran on 9 and 10 July of the current year, with 5,000 members in attendance comprised of Basij 'brothers' who have been constantly present at the fronts. Based on our perception of them, they would qualify for inclusion in battalion and other command guilds. Moreover, during this seminar after discussion and review, command orders for Basij forces are granted, and they are dispatched to the fronts."

With respect to forms for 'Determination of Disposition', he said, "After the remarks by His Excellency the Imam relating to active participation at the fronts, these forms were distributed, and in this regard, the multi-faceted participation of people at the battle fronts has been satisfactory. Nonetheless, if there be further need, the 'Determination of Disposition' forms shall be distributed; of course, these dispatches must always be continued, and there must be an ever increasing involvement by specialized forces."

Finally with respect to military training for 'sisters', the supervisor for the Basij Unit of the Revolution Guard Corps stated, "Given His Excellency the Imam's emphasis on military training for 'sisters', we intend--in the context of religious standards--to expand military training for 'sisters' involving hundreds of female coaches at 2000 centers. In this respect, the Physical Education Organization shall contribute considerably to this undertaking by providing indoor auditoriums."

12811/12379
CSO: 4640/420

IRAN

DRAFTEES WARNED OF EXTENDED SERVICE IN CASE OF ABSENTEEISM

Tehran KEYHAN in Persian 5 Aug 86 p 3

[Text] Political service. All draftees with diplomas born during the period 1338-1345 [21 March 1959-20 March 1967] as well as applicants with diplomas born in 1346 [21 March 1967-20 March 1968] throughout the country were called into military service. The public relations office of the general gendarmerie of the country announced the warning this morning that if these draftees and applicants do not report for service, they have will have an additional three to six months of service.

The text of the announcement of the gendarmerie public relations office is as follows:

All draftees with diplomas born during the period 1338-1345 [1959-67] who have graduated in the last few years, draftees with diplomas born in 1346 [1967-68], regular draftees (less than diploma) born during the period 1338-1345 [1959-60], and absentees born in 1346 [1967-68], in the regimental zones of Esfahan, Hoseynabad, Daran, Tafrash, Aligudarz, Paveh, Nowsud, Emamrud (Shahrud), Eslamabad, Siyyah Cheshmeh, Miyaneh, Shahreza (Qomseh), Javanrud, Haftshahr, West Gilan, Lashgargah, and Maku, are hereby summoned to report from 17/5/65 to 22/5/65 [9 August-14 August 1986] to the regional offices and regiments in their own cities and in Tehran to the centers specified as follows.

1. All draftees of Tehran with diplomas who have received draft cards from the three regions of Tehran must report on 17/5/65 [9 August 1986] to the Valiy-ye 'Asr barracks.
2. All regular draftees who have received draft cards from Tehran Zone 1 must report on 19/5/65 [11 August 1986] to the 22 Bahman gendarmerie barracks, further up from Vanak Square.
3. All regular draftees who have received draft cards from Tehran Zone 2 must report to the Shohada barracks on Mow. vi Street on 20/5/65 [12 August 1986].

All those whose draft turn came up this Mordad [23 July-22 August] or prior to this month who do not report for service during this month and who report in person in future months will have three months of additional service, and in the event of arrest, six months of additional service.

10,000

CSO: 4640/464

IRAN

COUNCIL ADVISES AGAINST FORCED INDUCTION INTO COMBAT UNITS

Tehran KEYHAN in Persian 14 Aug 86 p 18

[Text] Under a decision by the Supreme War Support Council, the ranks of the mobilization and the government officials are prohibited from taking any mandatory measures to send individuals to the fronts.

'Alireza Afshar, Acting Commander-in-Chief and spokesman for the revolutionary guards, gave an exclusive interview to KEYHAN yesterday. He discussed the guard's plans for organizing the forces needed at the fronts and for expanding combat organization. He said: Implementation of plans to expand combat organization for forces needed in 500 battalions began on 'Eyd-e Fetr [9 June], with participation from concerned organizations. In this regard selection councils throughout the country were charged with implementing the plans, with cooperation from affiliated selection cells in the offices, factories, and guilds aimed at attracting volunteers for sending to the fronts. Likewise, in view of the new share for combatants in the college entrance examinations for the current year, the needed forms have been printed. Combatants who took part in the college entrance examinations for the current year have until 25 Mordad [16 Aug] to fill out these forms and submit them to the revolutionary guard centers. Accordingly all units accepted by the revolutionary guards and the combat ranks of the mobilization have until 25 Mordad to obtain these forms.

Continuing his remarks, the revolutionary guard spokesman added: The revolutionary guard is now prepared to train all persons who have passed their military training.

Volunteers may therefore report to the revolutionary guard bases throughout the country to receive military training. He added: In order to attract forces, help with general education, recruit volunteer help from the people and to produce the necessary propaganda for the front and the war, military councils are being formed in various places. The district and village councils will consist of a local clergyman, an official from the precinct or combat base, and a representative of the supreme village council. The administrative military councils will consist of a revolutionary guard representative, an administrative official or representative, and a selected administrative official.

Likewise the mosque military councils will be composed of the mosque congregational imam, an official from the precinct or combat base, a representative of the local guild, and a local administrative representative.

These councils will provide the necessary support in the matter of supporting the war or the support staffs.

Continuing his remarks, 'Alireza Afshar added: All mobilization resistance echelons and government officials are required to refrain from any kind of measure that will end in compulsory induction of individuals for shipment to the fronts. The Supreme War Support Council affirmed this at its latest meeting. At the same time concerned officials are required to do everything possible to facilitate matters for sending volunteers to the fronts.

In conclusion, the revolutionary guard spokesman discussed the formation of Jerusalem training camps. He said: All organizations and groups who have resources of this type must make them available to the war support staffs. The war support staffs must also quickly report any form of resistance or obstruction that exists in this connection to the Central War Support Staff.

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4640/486

IRAN

MINISTER ADVOCATES STRICT GOVERNMENT CONTROL, SUPERVISION

Tehran KEYHAN in Persian 5 Aug 86 p 18

[Text] Concerning government supervision and the participation of the people, I believe in strict supervision and control over political and economic affairs (I am speaking in terms of government in general and not the government in power).

In this regard, one must move so as not to fall into either Eastern and Third World dictatorship or Western liberalism. In regards to government control and supervision, as we said in regards to political issues, violations can be prevented; a general line can be established; and the movement of the society in regards to economic issues can be directed. On the other hand, people's participation is such that in regards to political issues they crystalize in freedom of expression and ideas. They may speak their views freely, and they also have the right to organize within the framework determined by the Constitution. In regards to economic issues, as well, I am of the opinion that the people must be active and participate freely, within the framework of the Constitution and the current laws of the country. In the same way that we are strict in regards to the former freedom, lest it disrupt the basis of the Islamic regime, in regards to economic freedom as well, we must be strict. The kind of freedom that would try to change Iranian society into a capitalist society is similar to the kind of political freedom the intent of which is to change the Iranian society into a liberal society. It is astonishing that in terms of politics some people believe in absolute dictatorship, and worse than dictatorship in the Eastern bloc; but in terms of the economy, they seek freedoms exceeding Western freedoms. Unfortunately, this kind of thinking is at times widespread in our society. But I believe that political and economic freedom must be observed to the extent that they do not harm the regime of the Islamic Republic. If there is opposition to economic freedom, it is where we feel that the society is going to be misled from the course of the Islamic society and change into a capitalist society. And there is opposition to political or economic dictatorship, when it will change our society into a dictatorship of the proletariat in political terms or a centralized government economy in economic terms. Hence, dealing with the issue is a delicate matter and these restrictions must be observed. The participation of the people, as mentioned, is clear in political areas. In other words, the people must be able to express their opinions. Now, it is possible that not all the people have opinions to express. But those groups of people who have opinions must

be able to express them and be able to have political and social activities and the right to publish newspapers. In fact, all these principles have been stated in the Constitution, actually, within the framework of the laws. In economic terms, as well, in all affairs, such as business, trade, production and the participation of the people, the framework of the laws and the Constitution must be observed. The difference of opinion that exists is between those people who accept some things and reject other things. In other words, they agree to any regulations, laws and decisions, but in the political dimension, on the contrary, they insist on more than those laws that have been legislated. As the saying goes, they are more Catholic than the pope. And this is how these differences appear. But we hope these issues are dealt with within the framework of the Constitution and the current laws of the country.

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CSO: 4640/464

IRAN

CONDITIONS OF ADMISSION FOR OVER 5000 STUDENTS ANNOUNCED

Tehran KEYHAN in Persian 5 Aug 86 p 18

[Interview with director general of the office of technical and trade colleges of the Ministry of Education by KEYHAN; date and place not specified]

[Text] From among the applicants to the nationwide test for next year, 5,890 students will be admitted to 19 technical schools in 15 cities in two groups, one in Mehr [23 September-22 October] and one in Bahman [21 January-19 February].

In an interview with KEYHAN, the director general of the office of technical and trade colleges of the Ministry of Education announced the above statement, and concerning the procedures for applicants' selection of fields of study in the ministry technical schools, he said: Only those with technical diplomas may choose the fields in the technical schools, with the exception of the field of electronics for women and the fields of statistics and computer use, which do not require specific kinds of diplomas. He then said: Technical supervisors in the trade schools who have nontechnical diplomas and are not skilled in one of the fields and who participate in this year's test, with the cooperation of the Ministry of Culture and Higher Education, may choose teacher training or expert fields in the technical schools.

He then emphasized: The selection of a field in the technical schools must be appropriate to the applicant's test group. Otherwise, the test grades in these subjects will be ignored. These groups must themselves be appropriate to the kind of diploma or the experience of the applicants in the related fields.

The director general of the office of technical and trade school affairs then referred to the changes in the student admission regulations to the technical colleges for next year and said: The test groups for technical subjects have been devised more carefully. The electrical group has been divided into electro-technical and electronics, the mechanics group into automobile industries and facilities. Also, the fields of machine tools and turnery and metal industries, have been included in the industries group.

In conclusion, he said: A proposal has been offered to the Ministry of Culture and Higher Education to admit students in the fields of accounting, tool manufacturing, textile technical teachers, dye and technical teachers, and chemical industries and technical teachers. If it is approved, more than 200 students will be admitted from among the applicants, and the applicants will be informed thereof.

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CSO: 4640/464

IRAN

CUSTOMS' VOLUME OF ACTIVITY FOR APRIL-MAY ANNOUNCED

Tehran JOMHURI-YE ESLAMI in Persian 22 Jun 86 p 10

[Text] According to our reporter, the public relations office of Iran's Customs announced the following activities and accomplishments by the Islamic Republic's Customs during April-May of the current year in the areas of unloading, loading, customs work related to imports, as well as exports to other countries, uncovering of smuggled goods, and arrival and departure of travellers:

A. Imports

During April-May of the current year, 1,261,310 tons of goods entered through the country's major customs, 1,315.267 tons were loaded, and 1,385.512 tons valued at 91,031,157,000 rials were released. The weight of the imported goods increased by 9.16 percent relative to the same month last year, and the released goods increased in weight by 14.8 percent and decreased in value by 15.1 percent compared with the same month last year. The goods remaining at the country's Customs at the end of April-May 1986 weighed 964,435 tons.

B. Exports

The country's exports during the aforementioned April-May period was 43,865 tons valued at 5,365,737,000 rials. Compared with the same month last year, there has been a weight increase of 13.4 percent and an increase in value by 73.5 percent.

C. Imported Automobiles and Automobiles Leaving the Country

During April-May 1986, 214 automobiles entered the country and 273 automobiles left the country. Also during the same month, 279 buses entered the country and 239 buses left the country. The number of trucks carrying imported goods was 9,117 weighing 138,397 tons and the number of trucks leaving the country was 376 weighing 5,680 tons.

D. Number of Arriving and Departing Travellers

During the month under consideration, 68,783 individuals entered the country, via air, land and sea customs-facilities and 76,063 individuals left the country.

E. Income

The one-month income for Iran's customs during April-May 1986 was 17,010,756,000 rials according to an announcement by the Central Bank.

F. Uncovering Smuggled Goods

The country's customs' employees uncovered certain (smuggled) goods during April-May of the current year. The most important are as follows:

Gold and jewelry weighing 11,829.5 grams valued at 24,537,040 rials, 623 men's and women's watches valued at more than 960,500 rials, currency--including \$96 American dollars and 4,750 Pakistani rupees, 37 silk carpets and rugs valued at 12,160,000 rials, 200 Esfahan Golbaft tapestry, 4 Sony videos valued at 24,000 rials, and 3 video cameras valued at 18,000 rials. In the meantime, the cash penalties imposed during the month under consideration was 366,210,533 rials.

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CSO: 4640/420

IRAN

PETROLEUM EXPORT TERMINAL INAUGURATED IN LARAK

Tehran JOMHURI-YE ESLAMI in Persian 1 Jul 86 p 12

[Text] The large Val-Fajr 2 petroleum terminal with high export capacity became operational in Larak Island.

City Service--On Sunday evening, the petroleum export terminal called Val-Fajr 2 was inaugurated and became operational in the presence of Hojjat ol-Eslam Val-Moslemin Ahmadi, the Imam's representative and the Bandar 'Abbas' Friday Imam, the Governor General for Hormozgan and several officials of the province.

Last night in a telephone contact with JOMHURI-YE ESLAMI's reporter, Mr Nosratollah Tajic, the Governor General of Hormozgan, addressing the importance of this terminal stated, "Through the inauguration and utilization of this terminal, the Iraqi regime's opportunity for attacking petroleum export terminals has been ended. It can be stated that now ships can take on cargo with greater security; moreover, insurance premiums for ships shall be reduced because of the Ba'thist aggressors' inability to reach this terminal."

He added, "The loading capacity of the mentioned terminal will be high and several super oil tankers will be able to take on cargo simultaneously. The Val-Fajr 2 terminal is the second terminal after the petroleum terminal of Val-Fajr 1 which is being utilized in order to combat air attacks by the aggressor airplanes of the enemy."

Regarding the same issue, IRNA reported:

Immediately after the inauguration of the Val-Fajr 2 petroleum terminal, the task of exporting oil via oil tankers began.

By utilizing this terminal, oil exportation will be accomplished safely from any possible danger by the Iraqi regime.

It should be pointed out that the Val-Fajr 2 terminal is located on Larak Island in the south of Bandar 'Abbas, 250 kilometers East of Sirri Island. Also, with respect to this issue, the 'LOYDS' publication wrote that though Sirri Island is outside of Iraqi airplanes range and it has not thus far been attacked, Val-Fajr 2 terminal would be more difficult to access than Sirri.

IRAN

TRANSFER OF MINES TO PRIVATE SECTOR, MINERAL EXPORT DISCUSSED

Tehran KEYHAN in Persian 4 Aug 86 pp 1-2

[Text] Zahedan, KEYHAN correspondent:

[Interview with Deputy Minister for Equipment and Operations Moti'ian and Deputy Minister for Geology and Exploration Almasi, both of the Ministry of Mines and Metals, by KEYHAN; date and place not specified]

Moti'ian, the deputy minister for equipment and operation, and Almasi, the deputy for geology and exploration, both of the Ministry of Mines and Metals, who travelled to Zahedan to participate in the seminar on examining the mining and geological potential of the Province of Sistan and Baluchestan, answered questions in an exclusive interview with KEYHAN.

First, Moti'ian, the deputy minister for equipment and operations of the Ministry of Mines and Metals, spoke about the activities of the private sector in the area of operating the mines of the country and said: Two separate areas have been projected for the activities of the private sector in the mining law. Cooperatives and the private sector will be given operation permits for a period of six years as mining and sale agreements. He added: Under the present circumstances, we have about 600 mining and sale agreements with the private sector which are being implemented; 150 cooperatives are active in the country; and all the urban cooperatives which have been established since the victory of the Islamic revolution are in operation.

Concerning the facilities provided by this ministry for the export of minerals, he said: In regards to the export of minerals, the Ministry of Mines and Metals has announced a list of minerals of which we have high levels of reserves and production in the country, and for the current year, has granted a general permit for the export of this group. There is no need for the exporters to obtain permits from the Ministry of Mines and Metals for the export of these substances; instead they may export them directly. Another step that has been taken in this regard is a revision of the export rates. The proposal has been made that in regards to the currency rates of a large number of minerals, efforts be made to be competitive in the international markets. Recently, the Cabinet announced that for the minerals which have been processed, there is a discount of 15 percent on the approved rate, and for some other minerals up to 30 percent. The third step concerns the

transportation of material. As was mentioned, the shipping company of the Islamic Republic has provided good facilities for the exporters, and we hope that the problems in this area, which greatly affect the export of heavy and large volumes of minerals, are eliminated and the exporters of minerals will be able to significantly increase their exports, even beyond the projections, with more resources and facilities.

In regards to the export of minerals from the Province of Sistan and Baluchestan, Motilian added: Of course, in the Province of Sistan and Baluchestan, money is not deeply rooted. In recent years, some steps have been taken and some of the available mines provide for domestic needs. In addition, recently, some mines have been put into operation, including mining for decorative stones which are generally of good quality. Some of the production of these mines is taken out of the province, as well. God willing, we hope to be able to export minerals abroad from this province.

The deputy for equipment and operation of the Ministry of Mines and Metals responded to the question: Considering that about 50 mines have been identified in the Province of Sistan and Baluchestan and only 11 of them have been operational up to 1364 [21 March 1985-20 March 1986], do you have plans to exploit these other mines? He said: The mines that have been identified in this province are mines the reserves of which must still be determined. Information concerning the characteristics of these mines must be sent to the supreme council of mines, and then decisions will be made. This has been one of the steps taken in the past two years. The emphasis is on being able to have mining cooperatives comprised of local people, who will operate with their own capital. This is now under way. All those who are active in the mining sector in other areas of the country and who, because of the heavy mining operations in the country, are unable to expand their operations to other mines, since there are no available markets, should come to this province to work to both provide for the local needs of the province and to develop exports. In any case, we are waiting for the work force and capital to equip the mines that have been identified.

Motilian responded to the question: Do you have a plan for a change in the minerals in the country to goods or better quality production before exporting in order to gain more currency? He said: The ultimate goal of working on the mines in the country is to be able to sell our surplus minerals at a greater value on the international markets. In this regards, some major plans are under way in the Ministry of Mines and Metals, such as the plan for melting lead and zinc, the creation of (manizit) kilns, and other plans, such as the Sarcheshmeh mines, which are in operation. All of these plans indicate that we do not wish to export raw minerals but to process them and export them at an increased price. But in certain cases, since industrial grounds have not been available, only some of the mediate operations, such as the purification of minerals, have been carried out in the country.

He was asked: The mines in the country vary in their richness and concentrations, depending on the various layers of earth. Certainly, the private sector, considering the profit-making and commercial motivations, operates those richer layers which can be discovered and exploited least

expensively and more rapidly, leaving the lower layers that are less rich and concentrated and whose exploitation is more difficult and more costly; considering the dire consequences of such a tendency, what decisions have been made to prevent such an occurrence in the overall mining regulations? He said: This is not true on the whole, but was true to some extent before the victory of the revolution. With the new mining law and the anticipations made and the supervision of the Ministry of Mines and Metals, through its channels of operational control, before any mine is to be exploited, the plan is investigated by a committee and sent to the supreme council of mines. Once the determination has been made that the plan can be implemented and that the preservation of the national resources, exploration during operation, and the health and protection of the life of the mine have been taken into consideration, then a permit will be issued. Hence, with the operational measures that have been anticipated in the mining law, the problem will be prevented to some extent.

In the continuation of this interview, brother Almasi, the geological and exploration deputy of the Ministry of Mines and Metals, spoke about the geological and exploratory activities in the area and the future programs of the Ministry of Mines and Metals to continue the study and exploitation of discovered mines and said: Geological maps are, on the whole, fundamental to exploratory and developmental activities. We realize that we need geological maps in order for the industry to operate, including locating the factory to provide the raw materials needed. Therefore, geological maps are fundamental. Fortunately, we have worked throughout Iran at a scale of 1 to 250,000 and by the end of this year, God willing, the whole country will be covered at this scale, including the Province of Sistan and Baluchestan, where the work for the preparation of geological maps at this scale has been completed, with the exception of Iranshahr. In addition, we have worked on geological maps at a scale of 1 to 100,000 for areas that have potential mines. In this regard, too, we have worked well in the Province of Sistan and Baluchestan, and we are able to say that this province, compared to other provinces in Iran, is the best in terms of the preparation of 250,000-scale and 100,000-scale geological maps and the work that has been accomplished is of high quality. We can say that in connection with prospect drilling and geochemical exploration, work has been done here. In this connection, we have some potential. But, in order to bring the mines to an operational stage, geological and exploratory studies must accurately determine the reserves, and technical and economic studies must be done before the operational stage is reached.

In regards to the explorations in this area, the first phase has been nearly carried out, both in terms of geological studies and in terms of prospect drilling and geological explorations. We are engaged in planning on the basis of the data available. We want to see what area can be worked on so that we can have exploratory activities and projects in the future.

The question was asked: The officials of the country try to avoid an economy relying on a single commodity, such as oil; do you have any plan under way to operate and explore mines? He responded: Exploration is fundamental, without which we cannot take one step further. We must engage in exploration with careful planning for the future. With the implementation of this plan, we

should achieve results in seven to eight years. Hence, considering the problems that we have at the present, exploratory resources must be given careful attention; we must prepare the exploratory resources throughout the country and begin comprehensive programs for exploratory activities in order to be able to obtain results from these steps in the future years. On the whole, we have categorized the materials that are needed for the industries throughout the country and also for the exports. One part includes minerals with a great deal of potential. But in this regard, operational problems must be resolved before we enter the exploitation stage. The second part includes minerals that have sufficient potential. We must solve many problems to be able to make use of them and change them into more valuable minerals. We have problems regarding processing and these problems must be resolved. The third part, which includes about 30 minerals, includes those minerals which require careful exploratory planning, as the situation regarding these minerals is almost unidentified. Hence, on the whole, in regards to most of these 30 minerals, we are in the planning stage, but a number of exploratory projects are also under way involving some of them. These also include minerals, the plans for which are ready to be implemented, and we must provide the resources in terms of budget, manpower and equipment in order to be able to implement them. For instance, one of the exploratory plans under way is the plan for phosphate and bauxite, from which alumina is produced, which is the raw material for aluminum, to be used in the future in the aluminum industries. There is also the alunite exploration plan, which also concerns procuring raw materials for the aluminum industries. Also, there is magnesite, for which we have a plan under way. We hope to complete this plan by the end of this year. Magnesite is in Nahbadan, Birjand. There is also a series of plans which are ready, such as the asbestos plan, which is also in the Nahbadan area. If resources are provided, these projects can be implemented. The remainder are cases which are now in the preliminary studies phase. If we achieve results, later exploratory plans will be implemented in regards to these projects, which will ultimately reach exploratory activities. Among these, magnesite in this province can be mentioned, in which our colleagues in the geological agency have seen potential in the area of Zahedan, and studies are continuing. If the results are positive, it will be offered as an exploratory plan, and exploratory activities will begin. The question was asked: What is the goal of this seminar and, in your opinion, will this seminar be effective in the advancement of the operation and exploration of mines? Brother Almasi responded: One of the goals of this seminar, which has been organized by the Office of the Governor General, is for the participants to become informed of the geological and mining potential of the province. Various experts from the geological agency, the atomic energy agency of the Ministry of Petroleum, and the general office of mines and metals, among others, who are involved in exploration and mines, participated in this seminar and offered their knowledge. All this information will certainly help their activities. The issue is that the results of this seminar must be followed up and reach the implemental stage. In connection with exploration, too, the brothers offered views concerning the activities of the geological agency in the course of this period.

Concerning exploration, using the information available to us about the province, we have established committees in the geological agency which have worked on the data and have determined precisely which cases have the potential for continuation of activities, and for those, what is necessary to continue the activities is to ensure that resources must be made available both through the geological agency and the Ministry of Mines and Metals. Also, the resources of the province and the Ministry must be utilized and this course must be continued. We also had some data about uranium, which, considering that the exploration for uranium is legally within the jurisdiction of the atomic energy agency, that information has been given to the atomic energy agency to be used and made plans for its future. In any case, what is important is that the results of this seminar and the committees and round-table discussions as well as the direction that they will give to the exploratory and mining activities of this province are pursued. We hope they achieve results, and they will.

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CSO: 4640/466

IRAN

MINERAL EXPORTS PROVIDE MILLIONS IN FOREIGN CURRENCY

Tehran KEYHAN in Persian 13 Aug 86 p 2

[Text] Economic Service—Lead concentrate exports will bring around 2.5 million dollars in foreign exchange into the country this year through the efforts of the General Company of Mines under the Ministry of Mines and Metals.

According to the Ministry of Mines and Metals public relations office, this company, through new market research, will succeed in earning the above foreign exchange, while only seven million dollars in foreign exchange came into the country from 1359 [21 Mar 1980 - 20 Mar 1981] to 1364 [21 Mar 1985 - 20 Mar 1986] with the export of lead concentrate from the Nakhlak lead mine.

The production of lead and zinc by this company was more than 1,200 tons in 1364 [21 Mar 1985 - 20 Mar 1986], and with the installation and inauguration of the skip loader, the level of production will increase more.

This company extracted 1,640 tons of red earth of very high quality from the Hormoz red earth mines, and met the needs of the country's paint manufacturers, while earning more than a million dollars from the export of this product.

It is expected that this year this company will export more than 200,000 tons of kaolin (China clay), in light of market research that has been done in the Persian Gulf area.

In the year 1364 [21 Mar 1985 - 20 Mar 1986] about 70,000 tons of kaolin was extracted from the country's mines, meeting the needs of the tile factories.

Likewise, last year this company extracted 1.6 million tons of gypsum, 500,000 tons of lime, 120,000 tons of salt, 230,000 tons of silicon, 1.5 million tons of decorative stone, and 32 tons of turquoise throughout the country.

9310
CSO: 4640/486

IRAN

HEAVY INDUSTRIES NEW ECONOMIC CONDITIONS DETAILED

Tehran KEYHAN in Persian 13 Aug 86 p 2

[Text] Economic Service—The second public relations training seminar for units under the Ministry of Heavy Industries began this morning with a talk by Engineer Behzad Nabavi, Minister of Heavy Industries, at the site of the Iran Organization for Industrial Expansion and Reconstruction.

KEYHAN's economic correspondent reports from the site of the seminar that Nabavi began his talk with a study of the role of public relations in the cultural and political realms. He said: Public relations must also be active in specialist areas, and fortunately we have been active in this area in the Ministry of Heavy Industries. The existence of a ministry publication that has that specialist dimension illustrates this. Unfortunately, due to the budget shortage, it was stopped this year.

He then drew the attention of public relations people to two issues. He said: The first issue is the special economic conditions in the country. These conditions affect all industrial, production, and economic units. These conditions must be somewhat understood. We are in difficult conditions and we have many problems, which, God willing, can be solved. We must make efforts to solve them, however. The price of oil dropped from 28 dollars to about 4.8 dollars per barrel, and in these few days of effort OPEC was able to bring the price back up to 12 to 13 dollars per barrel, for which we should not be particularly happy, because the world powers have put oil on the stock exchange along with other goods such as sugar and wheat, and there will be constant price fluctuations.

We must therefore no longer base our accounts on oil. Both because of the drop and fluctuations in the price and because of the pressures that are on our oil exports, we must replace our oil exports with something else, but this will take time. Therefore under these new conditions we will have stoppages and delays in the production lines and economic activities, and the role of public relations at this stage is very sensitive.

The task of acquainting groups with the new conditions and preparing them for dealing with them, as well as with dealing with a level of expectations that can be accommodated by the country's resources, are among the important responsibilities of public relations people.

Under these conditions the role of public relations people is very important, both in making groups aware and in guiding them to take a well-considered approach to developments in the existing situation. You public relations people can set policy for groups under the new conditions, and, through the personnel and units in the Islamic societies, the Islamic councils and through management, you can establish reasonable relations and prevent the clashes that are likely.

You must strive to calm the groups, make them aware, and keep them mobilized, because the counterrevolution is working actively in the units, and they want to draw the working masses in the direction they desire in the work places. It is the responsibility of public relations people to remain vigilant and deal with the issues.

The Minister of Heavy Industries then said: The second issue I must mention is the participation of units in the Tehran International Exhibit. You must deal actively and in a coordinated manner with this issue, and bring the exhibit out of its desolate state. For example if you have just a hall with a few booths, exhibit some crude cast iron merchandise and contours, it will be like an arcade. You must bring the exhibit out of this state, and through your cooperation make some changes in the exhibit.

9310

CSO: 4640/486

PAKISTAN

GHULAM MUSTAFA KHAR DENOUNCED FOR PAST POLITICAL ACTIONS

Karachi AMN in Urdu 7 Aug 86 p 2

[Column "From Jumma Khan's Pen"]

[Excerpts] Ghulam Mustafa Khar, former governor of Punjab, made the following statement at an interview given on his 50th birthday: "The Pakistan People's Party has been completely defaced by its present leadership. I am proud of the friendship and leadership of Mr G.M. Jatoi. I welcome the convention he is convoking in Lahore. Our party will be the real PPP. After spending 10 years in exile, I am a different G.M. Khar. I shall soon come back to Pakistan and change the political scene. I shall visit the homes of the workers, instead of asking them to give me a grand reception." We have two remarks to make about this statement: (1) a sinner is posing as a saint, and (2) the Lion of Punjab has accepted defeat without a fight.

Mr Khar calls himself the Lion of Punjab, but as governor he was responsible for untold torture to the people of Punjab. Nobody's home or right to privacy was honored during his rule. He insulted religious scholars and humiliated respectable politicians just because of a difference of opinion. Nobody can forget the shameful things that happened during his rule. His abominable actions gave a bad name to Zulfiqar Ali Bhutto and the People's Party. Nawab Akbar Bugti, who was the governor of Baluchistan during the PPP rule, disclosed recently that Mustafa Khar had Chaudhry Zahur Ilahi arrested and sent to Baluchistan in order to get him killed by deceit. Nawab Bugti learned of this conspiracy through Malik Ghulam Jilani. After verifying the facts of the conspiracy he got Chaudhry Zahur Ilahi transferred from a Baluchistan jail to a Karachi jail. He said, "Both Khar and Zahur Ilahi are Punjabis, but Khar is a hangman. If he wanted to get rid of his political rival he had to do it somewhere else. He could not do it in our province."

After the downfall of PPP rule in the country, Mr Khar made his escape from Pakistan because he was afraid of the consequences of his nefarious deeds as governor. Even a jackal would have been faithful to his jungle. What Mr Bhutto, Mrs Nusrat Bhutto, Benazir and thousands of leaders and workers of the PPP went through is a heartrending story. But what did Khar care? He was having a great time in London. He built grand houses and

bought luxury cars while the workers of the PPP were burning themselves in self-immolation, receiving floggings on their bare backs, and suffering years in prison with their hands and feet shackled. He fled when the PPP and its chairman were in mortal danger. Now he is coming back to shed crocodile tears for those who lost their lives in the struggle. He is making a pact with the administration. But the people of Punjab and of Pakistan have found out that he is only a jackal in lion's clothing and the greatest coward of his time.

When Mr Khar says that instead of wanting the people to give him a grand reception he would go to the homes of the workers himself, he is only saying what a man with his past record should expect from his countrymen. Nobody can give him the reception that Benazir Bhutto got. On the other hand, people will gather round him to pelt him with shoes. Even a single mistake is enough to cause a leader's political death, and Khar has made many mistakes. If Ghulam Mustafa Jatoi tries to help him this traitor will cause his downfall as well. Can you call a man faithful who deserted his leader and his party in a time of trial? The faithful were those who died but did not desert Imam Hussain. Faithless and cowardly traitors can never be anybody's true friends.

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CSO: 4656/134

PAKISTAN

EDITORIAL DISPUTES CLAIM OF FREEDOM OF PRESS, POLITICS

Karachi AMN in Urdu 7 Aug 86 p 2

[Editorial: "Freedom for One, Restrictions for Others"]

[Text] At a meeting of the federal cabinet chaired by Prime Minister Junejo, it was decided that all the current freedoms in the country would be continued. Nobody would be allowed to disturb peace in the name of politics, and nobody would be arrested on political grounds. The cabinet further decided that processions that disrupt traffic or the flow of everyday life would not be allowed, but the chief minister of each province would be free to allow such processions at his own discretion.

But will this political freedom be enjoyed only by the Muslim League, the party in power? It has been noted that complete freedom is observed only when the league is taking out its processions. The workers of the league are at liberty to use weapons against the workers of other political parties, and to tear up their banners and flags. One the other hand, when the Karachi PPP decided to take out its procession, its workers were abducted at night and put into prison without trial. The chief provincial ministers have been given the power to use discretion in the matter of allowing processions to be taken out, because all of the chief ministers belong to the League. They only allow the League to take out processions. The League takes out processions even without the permission of the administration. When Prime Minister Junejo came to Karachi, the League organized a procession in his honor that created traffic jams from morning till afternoon. The police lining both sides of the road leading to the airport divested the traffic on other roads and directed it to that road so that his procession would look bigger and more imposing. It has also been noticed that whenever the prime minister or the president makes a visit, girls and boys from schools are made to stand for hours in the heat or the cold with flags in hand and told to shout slogans of welcome. By what right are innocent children made to suffer hunger and fatigue? Does the president or the prime minister never look at their haggard faces? I am sure they are not a pleasant sight. The police fare no better. All of the police are employed for security on such occasions. They are made to stand on both sides of the road, rifles in hand, starting in the morning, even if the august personage is to arrive in the afternoon or the evening. They are not supposed to move from their posts during all this time. If it is true

that the president and the prime minister have been elected by the people, where is the need for so much security? They should pass through throngs of people fearlessly. They should receive the people's love directly. If they are true Muslims, they should fear only Allah. Death cannot come before its appointed time, and when the time has come death cannot be warded off.

Another thing that the ruling party should remember is that political freedom, freedom of the press and economic freedom always go hand in hand. The economy of this nation lies in the hands of a superpower. All our economic policies are made at the behest of that power. A lot of noise has been made in this country about freedom of the press, but the facts contradict this propaganda. The opposition papers are punished for their views in the form of censorship and restrictions on the amount of newsprint and government advertisements granted to them, and late payment of government dues. This has gone on even since the cessation of martial law. How can we talk about political freedom when hundreds of people are in jail for their political views? The only people who are free in this country are the bandits, dacoits and thieves. There is no truth in the declaration that nobody would be detained on account of his political views. All we can ask of the administration is to match action to words.

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